

HOME INVESTMENT PARTNERSHIPS ("HOME") PROGRAM AND/OR  
LOW INCOME HOUSING TRUST FUND ("LIHTF") PROGRAM  
AGREEMENT TO FUND  
HAND ENTERPRISES, INC.  
STEWART PINES III

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THIS AGREEMENT, made and entered into this 20th day of June, 2007, by and between the CITY OF LAS VEGAS, a municipal corporation of the State of Nevada, with offices located at City Hall, 400 Stewart, Las Vegas, Nevada 89101 (hereinafter referred to as the "City"), and HAND Enterprises, Inc., a non-profit corporation organized under the laws of the State of Nevada, with a mailing address of 295 E. Warm Springs Rd. , Ste. 101, Las Vegas, NV 89119 (hereinafter referred to as ("Developer")), the City and Developer being hereinafter sometimes referred to singly as a "Party" and collectively as the "Parties".

WITNESSETH:

WHEREAS, the City of Las Vegas has entered into a Grant Agreement with the United States Department of Housing and Urban Development, (hereinafter referred to as "HUD"), for participation in the HOME program"), under 24 CFR Part 92 as amended; and

WHEREAS, the City has previously entered into an Interlocal Agreement with the State of Nevada whereby the City will administer certain HOME Program and Low-Income Housing Trust Fund (LIHTF) monies allocated to the City by the Housing Division, Department of Business and Industry, State of Nevada hereinafter referred to as "NHD;" and

WHEREAS, the City as the Entitlement Grantee for the HOME Program is responsible for planning, administration, implementation, and evaluation of the program; and

WHEREAS, Developer has requested the City's assistance to develop the "Stewart Pines III Senior Apartments" and to provide an affordable senior rental housing program to assist low income seniors; and

WHEREAS, HAND ENTERPRISES, INC., hereinafter referred to as "Developer", is a private not-for-profit organization; and

WHEREAS, Developer is a nonprofit organization created for religious, charitable or educational purposes as defined by NRS 244.1505 and NRS 372.3261; and

WHEREAS, Developer is a Community Housing Development Organization ("CHDO"); and

WHEREAS, Developer will be carrying out a CHDO-eligible activity by sponsoring and developing 13 fixed units, 12 one bedroom and 1 two bedroom units, in Stewart Pines III designated as HOME/LIHTF assisted; and

WHEREAS, Developer has formed a single-purpose, Nevada limited partnership, Stewart Pines III Limited Partnership (LP), to own the property and LP agrees to provide a Deed of Trust to Developer which will be assigned to City as security for this Agreement; and

WHEREAS, the City desires to assist Developer by providing HOME Program and/or LIHTF funds to assist with the development of the property (herein called the "Property" or "Project") as specified in Exhibit "A" of this document; and

WHEREAS, the Las Vegas City Council hereby determines that the Program shall provide a substantial benefit to the inhabitants of the City.

NOW THEREFORE, for and in consideration of the premises and of the mutual promises and agreements which are hereinafter contained, the Parties do hereby agree as follows:

## **I. SCOPE OF SERVICES**

### **A. DEVELOPER RESPONSIBILITIES**

DEVELOPER will be responsible for administering a HOME/LIHTF-funded project to provide activities eligible under the HOME/LIHTF Program as more specifically set out in Exhibit "A", Scope of Services Description. It is expressly agreed and understood that the total amount to be provided by the CITY under this Agreement shall not exceed one million two hundred fifty thousand Dollars (\$1,250,000) in HOME/LIHTF funds, (hereinafter "HOME" or "Funds").

### **B. TIME OF PERFORMANCE**

This Agreement provides for HOME funding of DEVELOPER'S Project rendered in accordance with this Agreement. The CITY shall bear no liability to fund or provide payment for DEVELOPER Project in the event that no HOME/LIHTF fund grant award funds are received during that fiscal year. Furthermore, the CITY shall be liable only for payment proportional to the extent of the HOME/LIHTF fund grant the CITY receives.

## **II. CITY GENERAL CONDITIONS**

### **A. COMPLIANCE WITH THE DEVELOPER HOME/LIHTF PROGRAM MANUAL AND OTHER APPLICABLE STATUTES AND REGULATIONS**

DEVELOPER agrees to abide with all Policies, Regulations and HOME/LIHTF Program criteria as specified in the City's Neighborhood Services Department

HOME/LIHTF Program Manual. DEVELOPER shall obtain any and all applicable Federal, State, and local permits and licenses required to execute the Project or Program as described in the Agreement's Scope of Services. DEVELOPER further agrees to abide by all applicable Federal, State, and Local codes, regulations, statutes, ordinances, and laws. Failure to abide by any of the above may result in forfeiture of the HOME/LIHTF funds.

**B. DEVELOPER RETAINS EXCLUSIVE RIGHT OF PERFORMING SERVICES**

DEVELOPER has requested financial support of the CITY to enable DEVELOPER to provide the services contemplated herein. The CITY shall have no relationship whatsoever with the services contemplated herein except with the provision of financial support and the receipt of the Reports as described herein. In any and all events, the services contemplated herein shall be rendered at the time, in the manner and under circumstances determined solely and exclusively by DEVELOPER, subject only to review by the City of Las Vegas, Neighborhood Services Department Director or other designee of the Neighborhood Services Director, to assure continuing eligibility for HOME/LIHTF funding.

**C. INDEMNIFICATION**

DEVELOPER agrees to protect, defend, indemnify and save harmless the CITY from and against any and all liability, damages, claims, suits, liens, and judgments of whatever nature, including but not limited to, claims for contribution and/or indemnification for injuries to or death of any person or persons, caused by, in connection with, or arising out of any activities undertaken pursuant to this Agreement. DEVELOPER'S obligation to protect, defend, indemnify, and save harmless as set forth in this paragraph, shall include reasonable attorneys' fees incurred by the CITY in the defense and/or handling of said suits, demands, judgments, liens, claims and the like and reasonable attorneys' fees and reasonable investigation expenses incurred by the CITY in enforcing and/or obtaining compliance with the provisions of this paragraph.

**D. ON-SITE MONITORING**

Projects funded under this Agreement will be subject to on-site monitoring by duly authorized CITY representatives, CITY-contracted independent auditors, HUD and/or the Comptroller of the United States, or any combination thereof. Said representatives will be announced, at a minimum, 24 hours in advance of such visits, which shall occur during normal operating hours. The representatives shall be granted access to any and all records pertaining to said Project. Representatives may, on occasion, interview project recipients who volunteer to be interviewed.

DEVELOPER shall allow duly authorized representatives from the City, independent auditors contracted by the City, HUD, the Comptroller General of the United States, or any combination thereof, to conduct such reviews, audits, and

on-site monitoring of the Project as the reviewing entity deems appropriate in order to determine:

1. Whether the Project is being operated in a manner consistent with the Consolidated Plan and the national and primary objectives of the HOME/LIHTF Program;
2. Whether the objectives of the Project are being achieved;
3. Whether the Project is being operated in an efficient and effective manner;
4. Whether management control systems and internal procedures have been established to meet the objectives of the Project;
5. Whether the financial operations of the Project are being conducted properly;
6. Whether the periodic reports to the City contain accurate and reliable information; and
7. Whether all of the activities of the Project are conducted in compliance with the provisions of applicable Federal/State laws and regulations and this Agreement.

#### **E. RIGHT TO REVIEW AND AUDIT**

The DEVELOPER agrees to maintain financial records pertaining to all matters relative to this Agreement in accordance with standard accounting principles and procedures and to retain all records and supporting documentation applicable to this Agreement for a period of 35 years, except those records subject to audit findings shall be retained for five years after such findings have been resolved. In the event the DEVELOPER goes out of existence, the DEVELOPER shall turn over to the City all of its records relating to this Agreement to be retained by the City for the required period of time.

The DEVELOPER agrees to permit the City or the City's designated representatives to inspect and audit its records and books relative to this Agreement at any time during normal business hours and under reasonable circumstances and to copy therefrom any information that the City desires concerning DEVELOPER'S operation hereunder. The DEVELOPER further understands and agrees that said inspection and audit would be exercised upon written notice. If the DEVELOPER or its records or books are not located within Clark County, Nevada, in the event of an inspection and audit, DEVELOPER agrees to deliver the records or books or have the records or books delivered to the City or the City's designated representatives at an address within the City of Las Vegas as designated by the City. If the City or the City's designated representatives find that the records delivered by the DEVELOPER are incomplete, the DEVELOPER agrees to pay the City or the City's representatives' costs to travel (including travel, lodging, meals, and other related expenses) to the Developer's offices to inspect and audit, as deemed necessary, all records of this Project relating to finances, as well as other records including

performance records that may be required by relevant directives of funding sources of the City.

**F. INSURANCE**

1. The DEVELOPER or its LP shall procure and maintain at its own expense, during the entire term of the Agreement, the following coverage:
  - a. Industrial/Workers' Compensation Insurance protecting the DEVELOPER and the City from potential DEVELOPER employee claims based upon job-related sickness, injury, or accident, during performance of this Agreement.
  - b. General Liability Insurance in the amount of One Million Dollars (\$1,000,000) combined single limit per occurrence, and Two Million Dollars (\$2,000,000) aggregate for bodily injury (including death), personal injury and property damage. Such coverage shall be on an "occurrence" basis and not on a "claims made" basis. The coverage must be provided either on an ISO Commercial General Liability form or an ISO Broad Form Comprehensive General Liability form. Any exceptions to coverages must be fully disclosed on the required certificates. If other than these forms are submitted as evidence of compliance, complete copies of such policy forms must be submitted to the City within ten (10) days after the notice of award. Policies must include, but need not be limited to, coverages for bodily injury, property damage, personal injury, Broad Form property damage, premises and operations, severability of interest, products and completed operations, contractual and independent contractors.
  - c. Automobile Liability Insurance in the amount of One Million Dollars (\$1,000,000) combined single limit "per accident" for bodily injury or property damage, or both, caused by or arising out of the ownership, maintenance or use of any automobile by DEVELOPER (owned or hired) in the performance of the services under this Agreement.
  - d. Professional Liability Insurance in an amount of not less than One Million Dollars (\$1,000,000). Coverage may be on a "claims made" basis or on an "occurrence" basis. If coverage is provided on a "claims made" basis, DEVELOPER shall maintain coverage for one (1) year following the completion of this Agreement.
  - e. DEVELOPER shall carry or provide Comprehensive Fire and Hazard insurance covering the full replacement costs of the Project.

The insurance coverages required under this Section are in addition to, and not in lieu of, Developer's indemnification obligation provided under Section II.C. The City, its officers, employees and volunteers must be expressly named as additional insured parties under the coverages required under this Section.

2. Certificates of Insurance. Prior to the commencement of its performance under this Agreement, DEVELOPER shall have on file with the City current certificates of insurance evidencing the coverages required herein.
  - a. DEVELOPER shall furnish the renewal certificates for the required insurance during the period of coverage required by this Agreement. If the renewal certificates are not provided, the City may declare DEVELOPER in default of its obligation under this Section.
  - b. Except for the Professional Liability Insurance, the City shall be named as an additional insured party under the coverages required under this section.
3. Insurance Rating. Each insurance company's rating as shown in the latest Best's Key Rating Guide shall be fully disclosed and entered on the required certificate of insurance. The adequacy of the insurance supplied by DEVELOPER, including the rating and financial health of each insurance company providing coverage, is subject to the approval of the City. The City requires insurance carriers to maintain a Best's Key rating of A VII or higher (i.e., A VII, A VIII, A IX, A X, etc.)
4. Lapse of Insurance. If DEVELOPER fails to maintain any of the insurance coverages required under this Section, then the City will have the option to (i) declare a breach of this Agreement, (ii) purchase replacement insurance, or (iii) pay the premiums that are due on existing policies in order that the required coverages may be maintained. DEVELOPER is responsible for any expenses paid by the City to maintain or purchase the insurance required under this Section and the City may collect the same from DEVELOPER or deduct the amount paid from any sums due DEVELOPER under this Agreement.
5. Primary Coverage. Developer's insurance shall be the primary coverage with respect to the City, its officers, employees and volunteers. Any other coverage (insurance or otherwise) available to the City, its officers, employees and volunteers shall be considered coverage in excess to that required of DEVELOPER and shall not contribute with it.

6. Notice of Cancellation. Each insurance policy supplied by DEVELOPER must be endorsed to provide that the coverage shall not be suspended, voided, canceled or reduced in coverage or in limits until thirty (30) days prior written notice by certified mail "return receipt requested" has been given to the City. This notice requirement does not waive the insurance requirements contained herein.

#### **G. IRS REGULATIONS**

DEVELOPER agrees to comply with all applicable IRS regulations, specifically regarding employees, depositing of payroll taxes, filing of payroll tax returns, and issuance of W-2's at year-end. All persons working for a non-profit agency, whether full or part-time, are considered employees, pursuant to IRS Publication 15A. If a private contractor or instructor is hired, a W-9 must be completed if he/she is paid \$600 or more, and an IRS Form 1099 must be issued to that person at year-end, as well as filed with the IRS. 1099 instructions can be obtained on the IRS website.

#### **H. LIMIT ON ASSIGNMENT OF INTEREST**

DEVELOPER may not assign any part of its rights in this Agreement without consent of CITY. Any such assignment of rights without consent of CITY shall result in the forfeiture of all compensation, or any part thereof, as determined by CITY.

#### **I. AGREEMENT REVISIONS**

Changes in the Scope of Services as outlined herein must be in accordance with HOME/LIHTF Program regulations, made by written amendment to this Agreement and approved and signed by both the DEVELOPER and (1) by the Mayor (with City Council approval) if funding amounts over \$24,999 are involved; or (2) by the City's Director of Neighborhood Services or the Director's designee if funding amounts of less than \$25,000 are involved. In addition, the City's Director of Neighborhood Services Department is authorized to sign amendments which revise the Agreement language without any funding impact. Any such changes must not jeopardize the HOME/LIHTF Program funding to the City.

#### **J. THIRD PARTY CONTRACTS**

DEVELOPER shall provide reasonable advance notice to, and obtain express consent from the CITY prior to obtaining, through funds made available pursuant to this Agreement, professional services pursuant to a written contractual agreement with a third party, an example of said contractual agreement to be provided by the City. Such advance notice shall demonstrate the necessity of such services and shall provide for adequate remedy in the event that professional services are not rendered in a manner consistent with the terms of this Agreement.

**K. LICENSES AND PERMITS**

DEVELOPER shall keep and maintain in effect at all times any and all licenses, permits, notices and certifications which may be required by any Clark County or City of Las Vegas ordinance or State or Federal statute.

**L. DISCLOSURE OF PRINCIPALS**

Pursuant to Resolution R-105-99 adopted by the City Council effective October 1, 1999, DEVELOPER warrants that it has disclosed, on the form attached hereto as Attachment I, all principals, including, partners of DEVELOPER, as well as all persons and entities holding more than 1% interest in DEVELOPER or any principal of DEVELOPER. Throughout the term hereof, DEVELOPER shall notify City in writing of any material change in the above disclosure within 15 days of any such changes.

**M. PERIOD OF AFFORDABILITY**

DEVELOPER agrees that this Agreement is in effect for a Period of Affordability for a minimum of 30 years (the "Period of Affordability"), commencing from the date of the final disbursements of funds to the DEVELOPER. The funds are recapturable upon sale or transfer of title of the Property.

**N. GROUND BREAKING CEREMONIES**

The DEVELOPER agrees and understands that all costs incurred for groundbreaking and grand opening ceremonies will be the responsibility of the DEVELOPER. In addition, the DEVELOPER agrees to coordinate with the City any ceremonial events concerning this Project including the review and approval of the date selected, the invitations, the invitation list, the press release, and the programs. The City will be responsible for scheduling the event with any city-elected officials.

**O. FORECLOSURE**

Should the DEVELOPER or LP lose its vested legal ownership of the Property through foreclosure proceedings, the DEVELOPER and LP acknowledge and agree that the City, as the assignee/beneficiary of the Deed of Trust and secured party under the Note Pledge Agreement, will require repayment of the HOME/LIHTF Program funds from the net proceeds (if any) from the foreclosure sale and this amount will satisfy the repayment of the HOME/LIHTF Program funds.

**P. INCOMPLETE PROJECT**

In the event the DEVELOPER completes the purchase of the Property, and for any reason whatsoever, the DEVELOPER is unable to begin the HOME/LIHTF-eligible project on the Property for which the HOME/LIHTF funds were utilized for the purchase of the Property; the DEVELOPER may transfer the Property by deed to the City, at no cost to the City. If the Property is transferred by deed to the City, the City will make reasonable efforts to ensure the Property is utilized for a HOME/LIHTF-eligible project, or the City may sell the Property and return the amount of the HOME/LIHTF funds utilized for the purchase to its source. In



the alternative to the above, the DEVELOPER may sell the Property and, through escrow for the sale for the Property and after deducting from the completed sale the amount of the Developer's own funds invested in the Property, repay to the City the amount of HOME/LIHTF funds used to purchase the Property and the amount of any profit made from the sale.

**Q. APPRAISAL OF PROPERTY**

DEVELOPER understands and agrees that it is the policy of the City to secure as collateral an interest in any and all real property being financed with federal funds. Accordingly, for properties involving acquisition of real property, improvements to real property, or a combination thereof, the City shall not provide funding in excess of fair market value of the subject property. Therefore, the City shall require an appraisal to ascertain fair market value. For projects involving acquisition and improvements to the real property, the City shall require an appraisal indicating the fair market value of the property including all improvements to be made to the property. The City will not disburse any funds pursuant to this Agreement until such appraisal is received to the satisfaction of the City.

**III. FEDERAL GENERAL CONDITIONS**

**A. RELIGIOUS ACTIVITIES 24 CFR 92.257**

As a general rule, in accordance with First Amendment Church/State Principles, HOME/LIHTF assistance may not be used for religious activities or provided to primarily religious entities for any activities, including secular activities, except as cited at 24 CFR 92.257.

**B. POLITICAL ACTIVITIES Section 319 of Public Law 101-121 of the Department of the Interior Appropriations Act.**

DEVELOPER will comply with the above referenced section, which prohibits the use of HOME/LIHTF funds to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration.

**HATCH ACT CHAPTER 15, TITLE 5, U.S. CODE**

DEVELOPER further agrees that none of the personnel employed in the administration of the within defined Project shall be in any way or to any extent, engaged in the conduct of political activities in contravention of Chapter 15, Title 5, U.S. Code.

**C. PROGRAM INCOME 24 CFR 92.2**

DEVELOPER agrees that program income, as defined in 24 CFR 92.2, includes, but is not limited to, the following:

1. Proceeds from the disposition by sale or long-term lease of real property acquired, rehabilitated, or constructed with HOME/LIHTF funds or matching contributions;
2. Gross income from the use or rental of real property, owned by the participating jurisdiction, State recipient, or a DEVELOPER, that was acquired, rehabilitated, or constructed, with HOME/LIHTF funds or matching contributions, less costs incidental to generation of the income;
3. Payments of principal and interest on loans made using HOME/LIHTF;
4. Proceeds from the sale of loans made with HOME/LIHTF or matching contributions;
5. Proceeds from the sale of obligations secured by loans made with HOME/LIHTF funds or matching contributions;
6. Interest earned on program income pending its disposition; and
7. Any other interest or return on the investment permitted under 92.205(b) of HOME/LIHTF or matching contributions.

#### **DISPOSITION OF PROGRAM INCOME**

Program income must be deposited in the participating jurisdiction's HOME local account unless the participating jurisdiction permits the State recipient or DEVELOPER to retain the program income for additional HOME projects pursuant to the written agreement required by 92.504.

If the HOME funds were disbursed from the participating jurisdiction's HOME Treasury account, they must be repaid to the Treasury account. If the HOME funds were disbursed from the participating jurisdiction's HOME local account, they must be repaid to the local account. If the jurisdiction is not a participating jurisdiction when the repayment is made, the funds must be remitted to HUD and reallocated in accordance with 92.454.

#### **D. OTHER PROGRAM REQUIREMENTS 24 CFR 92.350-3-92.358**

DEVELOPER shall carry out its activities in compliance with all Federal laws and regulations as described in 24 CFR 92.350-92.358, except that DEVELOPER will not assume the CITY'S environmental responsibilities described at 24 CFR 92.352, nor the CITY'S responsibility for initiating the review process under the provisions of 24 CFR Part 58. More specifically DEVELOPER shall be required

to comply with the following:

**1. GENERAL--24 CFR 92.350**

The Federal requirements set forth in 24 CFR part 5, subpart A, are applicable to participants in the HOME/LIHTF program. The requirements of this subpart include: nondiscrimination and equal opportunity; disclosure requirements; debarred, suspended or ineligible contractors; and drug-free workplace.

**2. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964-- FAIR HOUSING ACT--EXECUTIVE ORDER 11063**

This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964, P.L. 88-352; the Fair Housing Act; and Executive Order 11063, as amended by Executive Order 12259; and HUD regulations at 24 CFR Part 1, providing for non-discrimination on the grounds of race, color, creed, sex, familial status, disability, or national origin under any activity receiving Federal funds and also obligating DEVELOPER to use Federally-funded property for the purpose for which the Federal funds were awarded.

**3. SECTION 109 OF THE ACT--AGE DISCRIMINATION ACT of 1975 --SECTION 504 OF THE REHABILITATION ACT OF 1973**

This Agreement is subject to Section 109 of the Housing and Community Development Act of 1974, The Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973, which requires that no person in the United States shall, on the grounds of age, race, color, national origin, disability, or sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity funded in whole or in part with HOME/LIHTF Grant funds.

**4. LABOR STANDARDS & DAVIS BACON ACT 24 CFR 92.354**

Section 110(a) of the Act contains labor standards that apply to non-volunteer labor financed in whole or in part with assistance provided under the Act. The Contract Work Hours and Safety Standards Act also applies. Contractors or subcontractors on construction work shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended.

**5. ENVIRONMENTAL STANDARDS 24 CFR 92.352**

This Agreement is subject to the National Environmental Policy Act of 1969, as detailed in implementing regulations 24 CFR Part 58.

**6. NATIONAL FLOOD INSURANCE PROGRAM**

This Agreement is subject to the Flood Disaster Protection Act of 1973, and the regulations in 44 CFR Parts 59 through 79.

**7. DISPLACEMENT, RELOCATION, ACQUISITION, AND REPLACEMENT OF HOUSING 24 CFR 92.353**

DEVELOPER shall assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, non-profit organizations, and farms) as a result of activities pursuant to Part 570.606. Relocation of displaced persons shall be provided in conformance with the Uniform Relocation Assistance and Real Property Acquisition Act of 1970 as amended.

**8. EMPLOYMENT AND CONTRACTING OPPORTUNITIES**

DEVELOPER shall comply with Executive Order 11246, as amended by Executive Order 12086, which provides for Equal Employment Opportunity, and Section 3 of the Housing and Urban Development Act of 1968, with implementing regulations at 24 CFR Part 135. Section 3 requires that employment and other economic development opportunities arising in connection with housing rehabilitation, housing construction, or other public construction projects shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be given to low- and very low-income persons.

**9. LEAD-BASED PAINT 24 CFR 92.355**

This Agreement is subject to the regulations at 24 CFR Part 35, prohibiting the use of lead-based paint in residential structures constructed or rehabilitated with assistance provided pursuant to Part 92.353; notification of hazards of lead-based paint poisoning; and elimination of lead-based paint hazards.

**10. USE OF DEBARRED, SUSPENDED, OR INELIGIBLE CONTRACTORS OR DEVELOPERS**

This Agreement is subject to the requirements set forth in 24 CFR Part 5, in which is incorporated 24 CFR Part 24, which provides for the listing of debarred and suspended participants, participants declared ineligible, and participants who have voluntarily excluded themselves from participation in covered transactions pursuant to Part 24.

**11. UNIFORM ADMINISTRATIVE REQUIREMENTS AND COST PRINCIPLES 24 CFR 92.505**

Governmental entities. The requirements of OMB Circular No. A-87 and the following requirements of 24 CFR part 85 apply to the participating jurisdiction, State recipients, and any governmental DEVELOPER receiving HOME/LIHTF funds: 85.6, 85.12, 85.20, 85.22, 85.26, 85.32-85.34, 85.36, 85.44, 85.51, and 85.52.

Non-profit organizations. The requirements of OMB Circular No. A-122 and the following requirements of 24 CFR part 84 apply to Developers receiving HOME/LIHTF that are nonprofit organizations that are not

governmental Developers: 84.2, 84.5, 84.13-84.16, 84.21, 84.22, 84.26-84.28, 84.30, 84.31, 84.34-84.37, 84.40-84.48, 84.51, 84.60-84.62, 84.72, and 84.73.

## **12. CONFLICT OF INTEREST 24 CFR 92.356**

This Agreement is subject to the general rule that no person who is an employee, agent, consultant, officer, or elected official or appointed official of the CITY as Recipient, or of any designated public agencies, or of DEVELOPER who exercise or have exercised any functions or responsibilities with respect to HOME/LIHTF activities assisted pursuant to Part 92.356, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a HOME/LIHTF-assisted activity, or have a financial interest in any contract, subcontract, or Agreement with respect to a HOME/LIHTF-assisted activity, or with respect to the proceeds of the HOME/LIHTF-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

## **13. LIMITED ENGLISH PROFICIENCY (LEP)**

Executive Order 12166 enacted August 11, 2000, mandates the federal government reduce language barriers to limited English proficiency (LEP) persons with regard to accessing federal benefits. Recipients of HUD assistance including state and local governments, public housing authority assisted housing providers, profit and non-profit organizations and other entities receiving funds directly or indirectly from HUD are subject to Executive Order 12166 and Title VI provisions as a condition of receiving federal funds. Failure to ensure limited English persons (LEP) access to HUD benefits may violate Title VI civil rights protections based upon national origin.

## **E. DRUG-FREE WORKPLACE**

As a DEVELOPER of HOME/LIHTF funds, and in connection with services offered, the DEVELOPER agrees that it shall comply with the provisions of the Drug-Free Workplace Act of 1988, 24 CFR Part 21, which requires that DEVELOPER shall maintain a facility free from the illegal use, possession, or distribution of drugs or alcohol by its beneficiaries.

## **F. EXPIRATION OR REVOCATION OF AGREEMENT**

Upon the expiration or revocation of this Agreement, DEVELOPER shall transfer to CITY any HOME/LIHTF funds on hand at the time of expiration or revocation and any accounts receivable attributable to the use of HOME/LIHTF funds.

## **G ANTI-LOBBYING**

Section 319 of Public Law 101-121, of the Department of the Interior Appropriations Act, prohibits DEVELOPER from using appropriated Federal

funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant, or loan, and requires that no Federally appropriated funds have been paid or will be paid, by or on behalf of DEVELOPER to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

**H. AMERICANS WITH DISABILITIES ACT**

DEVELOPER agrees to comply fully with any and all provisions of the Americans with Disabilities Act (hereinafter referred to as "ADA") as applicable to the DEVELOPER and the activities to be performed by DEVELOPER under the scope of this Agreement. If employing more than fifteen (15) employees, DEVELOPER agrees to comply fully with Title I of the "ADA" as set forth at 28 CFR Part 130. If providing "public accommodations" as defined by the Act in Section 301(7)(A)-(L), DEVELOPER agrees to comply fully with Title III of the "ADA" as set forth at 28 CFR Part 36. If providing public transportation, DEVELOPER agrees to comply fully with the federal regulations as set forth at 49 CFR Parts 37 and 38.

**I. AFFIRMATIVE MARKETING 24 CFR 92.351**

DEVELOPER agrees to undertake an affirmative marketing program in conformance with 24 CFR 92 351 (b) and Chapter 3 of the HUD Handbook 7360.01 (Rental Rehabilitation Program).

**J. MCKINNEY HOMELESS ASSISTANCE ACT**

Developer agrees to abide by 24 CFR, Part 576, of the Stewart B. McKinney Homeless Assistance Act.

**K. RECORD KEEPING 24 CFR 92.508**

DEVELOPER shall maintain records in accordance with 24 CFR 92.508.

**L. FORFEITURE OF FUNDS**

Any material breach of the terms of this section shall result in forfeiture of all HOME Program or other funding received by DEVELOPER pursuant to this Agreement, or any part thereof as determined by the City.

**M. EXPIRATION OF AGREEMENT**

Upon the expiration or revocation of this Agreement, DEVELOPER shall transfer to the City any HOME Program and/or LIHTF funds on hand at the time of expiration or revocation and any accounts receivable attributable to the use of these funds.

**N. HOUSING QUALITY STANDARDS 24 CFR 251**

DEVELOPER agrees to maintain the Project in compliance with all applicable State and local housing quality standards and code requirements for the duration of this Agreement; and furthermore, DEVELOPER agrees to use HUD-qualified housing inspectors to perform an initial housing quality inspection of any HOME/LIHTF-assisted unit prior to occupancy, or with replacement of a tenant, or after making any Code corrections, with the housing quality inspection to be performed annually, when so requested by the City to ensure such compliance; and if applicable, the cost effective energy conservation and effectiveness standards in 24 CFR part 39, and local housing code requirements.

**O. PERIOD OF AFFORDABILITY 24 CFR 92.252 & 92.254**

DEVELOPER agrees that this Agreement is in effect for a Period of Affordability of a minimum of 30 years if the City funds consists solely of HOME funds received directly from HUD, HOME funds received from the State, or LIHTF received from the State commencing from the initial date of payment of HOME and/or LIHTF funds, pursuant to 24 CFR 92.252 or 24 CFR 92.254 and/or the Nevada Revised Statutes and/or the Nevada Administrative Code.

**P. SALE, TRANSFER OR OTHER CONVEYANCE OF PROPERTY 24 CFR 92.503**

A sale, transfer, or other conveyance of the assisted Property is subject to the requirement that the amount of HOME/LIHTF funds previously invested in the Property will be treated in accordance with 24 CFR Part 92.503 and Administrative Guidelines, NRS 319, and NAC 310 and returned to the City's Neighborhood Development Division of the City's Neighborhood Services Department to be reinvested in other affordable housing units.

**Q. DISPLACEMENT OR DISLOCATION OF TENANTS 24 CFR 353**

In conjunction with the Project, DEVELOPER agrees to minimize displacement or dislocation of current tenants by referring eligible dislocated tenants to the Clark County Housing Authority for tenant-based assistance, and by assisting with their relocation per 24 CFR 92.353.

Should tenants be displaced as a result of acquisition or rehabilitation of the Property, DEVELOPER agrees to assume sole financial responsibility for any liability associated with 49 CFR Part 24.

**R. OMB CIRCULARS**

Administration of the HOME Program is subject to the uniform policies and requirements of the Office of Management and Budget's (OMB) Circulars and Federal Regulations implementing the Circulars. The Circulars set standards for the administration of grants, principles for determining what costs are allowable, and requirements for independent audits. The Circulars also address many other management issues, including record keeping, procurement, bank accounts, and program income. All DEVELOPERS of the City's grants, as provided herein, are

required to be familiar with the OMB Circulars as it pertains to the Federal grant funding received.

#### **IV. FINANCIAL MANAGEMENT**

##### **A. AUDIT REQUIREMENTS**

This Agreement is subject to other requirements of United State's Office of Management and Budget (OMB) Circular No. A-110 "Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations" and its relevant attachments "A" through "O"; and Circular A-122, entitled "Cost Principles for Non-Profit Organizations."

This Agreement is also subject to an OMB A-133 Audit pursuant to the Single Audit Act. Effective December 31, 2003, the Office of Management and Budget requires that grant recipients who expend \$500,000 or more during a one year period in federal funds aggregate, conduct an A-133 audit.

Any agency that expends between \$200,000 - \$499,999 in federal funds will be required to have a CPA Audited Financial Statement and submitted to the CITY. The funds expended may be from one or multiple federal sources.

All DEVELOPERS who fall under the requirements of OMB A-133 Auditing Rules must submit a full and complete copy of such audits to the Neighborhood Services Department. It is the responsibility of the DEVELOPER to ensure that audits are completed in a proper and timely manner. Failure to submit copies of the A-133 Audit will render the DEVELOPER as non-compliant. This means that no funds may be drawn until the City's Neighborhood Services Department has received and reviewed the copy of the audit. Please refer to the HOME/LIHTF Program DEVELOPER Manual as provided for further guidance on this matter.

##### **B. DOCUMENTATION OF COSTS**

All costs shall be recorded by budget line-items and be supported by properly executed payrolls, time records, invoices, contracts, or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charge. All checks, payrolls, invoices, contracts, and vouchers, orders or other accounting documents pertaining in whole or in part to the Agreement, shall be thoroughly identified and readily accessible. Backup must include the following documents to verify proof of payment: copies of the front and back of the cancelled checks, downloaded check copies from your bank's website, or bank statements in addition to a paid bill, invoice or receipt.

##### **C. FINANCIAL RECORDKEEPING**

Financial records pertaining to all invoices, materials, payrolls, personnel records, and other data concerning matters related to this Agreement may be requested from DEVELOPER by duly authorized CITY representatives, CITY-contracted



independent auditors, HUD and/or the Comptroller of the United States, or any combination thereof.

#### **D. RECORDS**

Project records shall be maintained in accordance with HUD and CITY requirements with respect to all matters covered by this Agreement.

#### **E. PROJECT BUDGET**

Eligible expenditures for payment by the CITY will be made in accordance with the Project Budget delineated in Exhibit "B" and, subject to any conditions imposed in the Scope of Services, shall include semi-annual reports, when seeking reimbursement from the City for Project costs. All eligible expenses will be reimbursable with appropriate back-up documentation such as, but not limited to, paid invoices, the fronts & backs of cancelled checks, bank statements and/or payroll sheets. DEVELOPER shall not make any changes in the Project budget. Line items may be revised if permission is requested and approved in writing from the City's Neighborhood Services Director.

#### **F. METHOD OF PAYMENT**

The CITY shall reimburse valid invoices for approved Project Budget expenditures identified in Exhibit "B" of this Agreement. Before paying such expenses, the CITY will review invoice expenditures to determine their consistency with the approved eligible expenditures, the Scope of Services, pursuant to this Agreement. The CITY reserves the right to refuse reimbursement for expenses, which are HOME/LIHTF-ineligible or which are not within the scope of this Agreement.

DEVELOPER agrees that disbursement under this Agreement will be made only when the total amount of eligible reimbursable expenses exceeds \$1,000, excepting for the final request for payment under this Agreement. If DEVELOPER requests payment in an amount less than the minimum established, payment will be made when the cumulative amount of all eligible reimbursable expenses exceeds \$1,000.

DEVELOPER agrees that it may not request disbursement of funds under this Agreement until the funds are needed for payment of eligible costs. The amount of each request must be limited to the amount needed and will be paid on a reimbursement basis.

At the discretion of the City, an amount not to exceed the lesser of ten percent (10%) or \$10,000 of the funds allocated under this Agreement will be retained until the Project is completed and the DEVELOPER submits the following:

1. documentation showing that the assisted units meet the Housing Quality Standards, or, if new construction, that the Project has received an occupancy certificate;

2. a certified statement of Final Development Costs which, at a minimum, reports all development costs and expenditures for all federal funds, and the disposition of all of the HOME funds;
3. for projects involving new construction or rehabilitation, a completed form HUD-2516 "Contract and Subcontract Activity";
4. a completed form HUD-40097 "Rental Housing Completion Project Report" or, for owner-occupied projects, form HUD-4096 "Homeownership Project Completion Report";
5. evidence of the recorded fully executed Deed of Trust securing the City's interest in the Property; and
6. evidence that DEVELOPER has provided the manager of the Project (Management Agent) with a copy of the HOME/LIHTF Program regulations and the specific HOME/LIHTF compliance requirements for the Project.

#### **G. UNEXPENDED FUNDS**

HOME/LIHTF funds must be spent in a timely manner. In the event that the City's NEIGHBORHOOD SERVICES staff has reason to believe that the total amount of funds allocated for this Agreement will not be expended in the time and manner prescribed in this Agreement, the City reserves the right to reprogram the funds to another HOME/LIHTF eligible project/program.

#### **H. ACCOUNTING METHODS**

Expenditures charged to City HOME/LIHTF funds will be accounted for separately from all other revenue sources. These records shall be maintained by DEVELOPER.

#### **I. REAL PROPERTY, NON-EXPENDABLE PERSONAL PROPERTY, DEPRECIATION SCHEDULES, AND DISPOSITION OF PROPERTY**

In accordance with the United States Office of Management and Budget (OMB) Circulars A-87, Cost Principles of State and Local Governments, and A-110, Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations, the following shall apply:

- 1) Non-expendable personal property will be defined as any property either tangible or intangible other than real property as defined herein which has a unit acquisition cost of \$500 or more and a useful life of more than one year.
- 2) Real property will be defined as land, including land improvements, structures and appurtenances thereto, but excluding movable machinery and equipment.

3) Non-expendable personal property shall be depreciated on a 5-year, straight-line schedule, as is the accounting standard used for the City in its financial management. DEVELOPER will be required to maintain property records for and report to the City during the 5-year depreciation period. If the property is disposed of prior to the 5-year depreciation period, the CITY shall provide the DEVELOPER with disposition instructions upon request. If the property is disposed of for cash during this period, it constitutes Program Income which must be reported in accordance with the Section III C. & D., Program Income, portion of this Agreement. Examples of non-expendable personal property are vehicles and computer equipment. If said property is a vehicle, the City shall be named as a lien-holder on the title.

4) When non-expendable personal property has been fully depreciated in accordance with the CITY'S 5-year straight-line schedule, and the property is disposed of for cash, the DEVELOPER may retain such funds provided that DEVELOPER notifies the CITY in writing and that DEVELOPER uses such funds for the exclusive benefit of the Program.

5) Pursuant to 24 CFR Part 92.504(c)(2)(vii), the DEVELOPER must transfer upon expiration of the term of this Agreement any HOME/LIHTF funds on hand at the time of expiration and any accounts receivable attributable to the use of HOME/LIHTF funds provided pursuant to this Agreement.

## **V. MODIFICATION OR TERMINATION OF AGREEMENT**

### **A. AMENDMENT OR REVISION REQUIRED BY HUD**

DEVELOPER and the City hereby agree to amend or otherwise revise this Agreement should such modification be required by HUD and/or any applicable federal statutes or regulations.

### **B. TERMINATION PROCEDURES**

DEVELOPER and the City hereby agree that this Agreement is subject to federal enforcement procedures identified in 24 CFR Part 84.62. Remedies for noncompliance with any of the covenants, agreements or stipulations of this Agreement shall include:

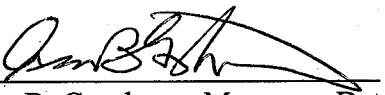
the temporary withholding of cash payments pending correction of the deficiency by the City or DEVELOPER or more severe action by the U.S. Department of Housing and Urban Development, as the awarding federal agency,

the disallowance (that is, denying both the use of funds and matching credit for) all or part of the cost of the activity or action not in compliance,

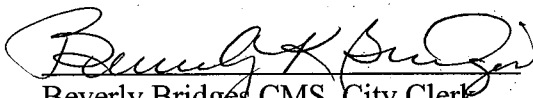


IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representations the day and year first above written.


CITY OF LAS VEGAS

By:   
Oscar B. Goodman, Mayor      Date

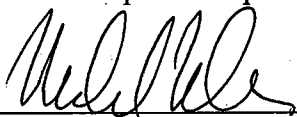
ATTEST:

  
Beverly Bridges CMS, City Clerk

APPROVED AS TO FORM:

      9/14/07  
DATE


HAND Enterprises, Inc.,  
a Nevada non- profit corporation

By:   
Mike Mullin, President      Date

ACCEPTANCE OF GRANT AND AGREEMENT TO  
COMPLY WITH GRANT CONDITIONS

I, Mike Mullin, President of HAND Enterprises, Inc., a Nevada non-profit corporation, on behalf of that corporation, do hereby accept the grant made and the conditions imposed upon that grant contained in the HOME Investment Partnerships "HOME/LIHTF" Program Agreement to Fund HAND Enterprises Inc.'s Stewart Pines III Project approved by the City Council of the City of Las Vegas, Nevada on the 20th day of June, 2007, a copy of which is attached hereto and incorporated herein.

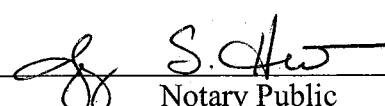
Executed this 18<sup>th</sup> day of September, 2007.

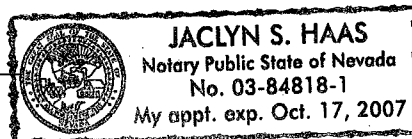
By:   
President

State of Nevada       )  
County of Clark     )

On this 18<sup>th</sup> day of September, 2007, before me, the undersigned, a Notary Public in and for said county and State, personally appeared

Michael Mullin as President, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

  
Notary Public



## EXHIBIT "A"

### Scope of Services

A. Subject to the actual receipt of HOME, LIHTF, and/or other matching funds from HUD and/or the State, the City will provide up to \$1,250,000 to Developer in HOME Program and/or LIHTF funds to assist with the soft costs and hard costs of the construction of thirteen (13) fixed units of affordable rental housing for very low income tenants with a preference to seniors 55 years of age or older, hereinafter referred to as the "Project," as described in Exhibit "C", attached hereto and incorporated herein as if fully set forth and as indicated in the Project Budget attached here to as Exhibit "B". The affordability period will be 30 years. The funds are fully recapturable upon sale of property or transfer of title. Of these 13 units covered by the HOME/LIHTF funds, 15 % of the units shall be rented to tenants whose incomes are at or below the federally designated level signifying poverty as determined by the Department of Health, and Human Services (HHS). Twenty (20%) percent of the HOME/LIHTF assisted units must be occupied by tenants whose income does not exceed 50% AMI. Developer will not lease any of the HOME/LIHTF units to households who at the time of initial occupancy have an income that exceeds 60% of the area median income as shown on the HUD Program Income Guidelines (Exhibit "B"). Developer agrees that the HOME/LIHTF assisted unit rents will not exceed the Low HOME Rent limits as established by HUD annually for the HOME program (Exhibit "C"). The utility allowance used will be that of the Las Vegas Housing Authority. When tenants receive additional subsidy through rental assistance programs such as Section 8, the rent of a unit may be raised to the rental assistance program limit only if three HOME requirements are met: 1) the tenant is paying no more than 30 percent of their adjusted income; 2) the subsidy is project-based (affects the entire project, not just a single unit); and 3) the tenant's income is less than 50 percent of the area median income. If the subsidy is tenant-based (not project-based), the total HOME rent is the maximum amount from all sources that the owner may receive for HOME-assisted units. All tenants in the assisted units shall have leases with Developer, or its assignee, and furthermore, all leases shall be for a period of one year, unless a different period is agreed upon by Developer and the tenant(s). The Project will be located on the southwest corner of Stewart and 13<sup>th</sup> Street (the "Property"). The development of the Property is generally depicted on the Site Map attached hereto as Exhibit "D-1". A rendering of the Project to be constructed is generally depicted on the Drawing, attached hereto as Exhibit "D-2", legally described in Exhibit "E" hereto and incorporated herein as if fully set forth.

The construction of the Project is to be completed by December 31, 2008, unless otherwise specified, in writing, by the City. A six month extension of the December 31, 2008, deadline may be authorized by the City of Las Vegas Neighborhood Services Director if additional time is necessary to complete the Project and the extension of time will not jeopardize any other activity, project or funding source of the City. The extension request must be in writing as well as the extension authorization.

B. Developer agrees that any project costs, unless and until specified in writing by the City of Las Vegas exceeding the \$1,250,000 in HOME/LIHTF Program or other funds provided by the City pursuant to this Agreement will be the responsibility of the Developer. Developer further agrees to pay all maintenance and operating costs of the Project unless otherwise agreed to by the City.

C. Changes in the Scope of Services as outlined herein must be in accordance with HOME Program regulations, made by written amendment to this Agreement and approved and signed by both the Developer and the Mayor if funding amounts over \$24,999 are involved or by the City's Director of Neighborhood Services or the Director's designee if funding amounts of less than \$25,000 are involved. In addition, the City's Department Director is authorized to sign amendments which revise the Agreement language without any funding impact. Any such changes must not jeopardize the HOME Program and/or Low Income Housing Trust Fund (LIHTF) funding to the City. Developer agrees that any project costs, unless and until otherwise specified in writing as set forth above, exceeding the \$1,250,000 in HOME/LIHTF Program or other funds provided by the City pursuant to this Agreement will be the responsibility of Developer. Developer further agrees to pay all maintenance and operating costs of the Project, unless otherwise agreed to by the City.

D. Developer understands and agrees that the City shall not release any funds unless and until the required Environmental Review is completed for the Property per 92 CFR 58. Notwithstanding any provision of this Agreement, the Developer agrees as follows:

E. Developer hereto agrees and acknowledges that this Agreement does not constitute a commitment of funds or site approval, and that such commitment of funds or approval may occur only upon satisfactory completion of environmental review and receipt by the City of a release of funds from the U.S. Department of Housing and Urban Development under 24 Part 58, as may be required. The Developer further agrees that the provision of any funds to the Project is conditioned on the City's determination to proceed with, modify or cancel the Project based on the results of a subsequent environmental review. Violation of this provision may result in the denial of any funds under this Agreement. Upon receipt from HUD of authority to use funds, the City's Neighborhood Services Director will provide Developer with a written Notice to Proceed. Once the Notice To Proceed is issued, DEVELOPER must also provide the City with the written minutes of all construction meetings until the Certificate of Occupancy on the Project is received.

F. Developer agrees to provide a Preliminary Title Report to the City and a Title Insurance Policy in the amount of \$1,250,000 prior to start of construction if Project is for construction.

G. Developer understands and agrees that it is the policy of the City to secure as collateral an interest in any and all real property being financed with federal funds. Accordingly, for properties involving acquisition of real property, improvements to real



property, or a combination thereof, the City shall not provide funding in excess of fair market value of the subject property. Therefore, the City shall require an appraisal to ascertain fair market value. For projects involving acquisition and improvements to the real property, the City shall require an appraisal indicating the fair market value of the property including all improvements to be made to the property. The City will not disburse any funds pursuant to this Agreement until such appraisal is received to the satisfaction of the City.

H. Developer shall begin and complete all construction and development of the site within the times specified in Exhibit "A-1" or such reasonable extension of said dates as may be requested in writing by the Developer and granted in writing by the City where such extensions shall not be unreasonable, withheld.

I. Developer will not lease any portion of the HOME/LIHTF assisted housing units to other than HOME-eligible tenants, as defined in the HOME Program regulations (24 CFR 92). Developer will not lease any of the HOME-assisted housing units to households who at the time of initial occupancy have an income that exceeds 60% of the area median adjusted for family size as shown on the HUD Program Income Guidelines attached hereto as Exhibit "F". Developer agrees that the HOMELIHTF assisted unit rents will not exceed the Low HOME Rent limits established by HUD annually for the HOME program attached hereto as Exhibit "G". When tenants receive additional subsidy through rental assistance programs such as Section 8, the rent of a unit may be raised to the rental assistance program limit only if three HOMELIHTF requirements are met: 1) the tenant is paying no more than 30 percent of their adjusted income; 2) the subsidy is project-based (affects the entire project, not just a single unit); and 3) the tenant's income is less than 50 percent of the area median income. If the subsidy is tenant-based (not project-based), the total HOME rent is the maximum amount from all sources that the owner may receive for HOME/LIHTF assisted units. All tenants in the assisted units shall have leases with Developer, or its assignee, and furthermore, all leases shall be for a period of one year, unless a different period is agreed upon by Developer and the tenant(s).

J. If the HOME/LIHTF assisted housing, or any portion thereof, is converted to non-qualified HOME activities, including if the HOME/LIHTF assisted housing units, or any portion thereof, are subleased, or through foreclosure or other circumstances Developer loses legal possession of the Property, the Developer will, upon request of the City, repay to the City, without interest, the amount of HOME/LIHTF Program funds or other funds that Developer received from the City hereunder. The City shall require reasonable assurances of security for such repayments, which shall be an All Inclusive Deed of Trust and Assignment of Rents ("Deed of Trust") for such Property pursuant to 24 CFR 92.254, a sample of which is attached to this document (Attachment III), and which LP, as the Property owner, shall execute as part of this Agreement as security for the Promissory Note executed by LP (the form of which is attached as Attachment II) for the Project funds from Developer. Developer, as the Beneficiary of said Deed of Trust and holder of the Promissory Note, shall execute the Assignment of Deed of Trust, the form of which is attached as Exhibit "I", and the Note Pledge Agreement, the form of

which is attached as Attachment IV, which shall transfer and assign the Deed of Trust and Promissory Note to the City as security for the Developer's performance of its obligations and repayment of the Project Funds provided under the Agreement.

K. Should the Developer or LP lose its legal position of the Property through foreclosure proceedings, the Developer and LP acknowledge and agree that the City, as the assignee/beneficiary of the Deed of Trust and secured party under the Note Pledge Agreement, will require repayment of the HOME/LIHTF Program funds from the net proceeds (if any) from the foreclosure sale and this amount will satisfy the repayment of the HOME Program funds. However, the units must remain affordable for the remainder of the affordability period.

L. Developer acknowledges that the Property will be encumbered by one or more Deeds of Trust created by the Developer, or its assignee, Stewart Pines III Limited Partnership, to provide additional financing for the Project which will be recorded in the Official Records of Clark County, Nevada. The City acknowledges and agrees that the Deed of Trust assigned to the City will be subject and subordinate to any such liens required for the construction and permanent financing of the Project. Other than the recorded deed(s) of trust including any liens or other encumbrances during the Period of Affordability.

M. Developer will provide the Neighborhood Services Director with client usage records for HOME/LIHTF assisted units on a semi-annual basis during the period of this Agreement. These records will contain but are not limited to, the following data:

1. Total clients served;
2. Racial breakdown of clients served including American Indian/Alaska Native, Asian, Black/African American, Native Hawaiian/ Other Pacific Islander, White, American Indian/Alaska Native and White, Asian and White, Black/African American and White, American Indian/Alaska Native and Black/African American, Other;
3. Number of clients who report a Hispanic ethnicity;
4. Number and percentage of Low and Very Low Income clients as defined by HUD HOME Program Income Guidelines (Exhibit "F");
5. Number of handicapped clients served;
6. Number of senior citizens served;
7. Number of female head-of-households served;
8. Number of renter households served, and rent charged;
9. Number of owner households served; and
10. Monthly rent paid by each household served.

N. This Agreement will commence as of the date set forth in the introductory paragraph (which shall be the date of approval by the City Council) and the HOME Program funds allocated by it will be expended on or before December 31, 2008. Upon rental of all HOME/LIHTF assisted units, the Developer must submit a Completion Reports with Beneficiary information to the City prior to final release of funds.

EXHIBIT "A-1"  
SCHEDULE OF PERFORMANCE

**Stewart Pines III**  
**Schedule of Performance**

**ACTION      DATE**

**Action**

**Date**

Schematic Designs / Working Drawing Completed

June-07

Submission of Site Development Plan Review Application to City

November-  
07

Construction Loan Commitment Received

N/A

Final Plans and Specifications

August-07

Receipt from City and other Governmental Permits necessary to Commence Construction

September-  
07

Receipt of Certificate of Insurance from Developer to City of Las Vegas

September-  
07

Construction to Begin

September-  
07

Construction Completed

July-08

Rent-Up Period (Month/Year to reach sustaining occupancy)

September-  
08      \_\_\_\_\_

**EXHIBIT "B"**  
**PROJECT BUDGET**

**Stewart Pines III**

		<b>HOME FUNDS</b>
<b>LAND</b>	<b>\$600,000</b>	
<b>HARD COSTS</b>		
GENERAL REQUIREMENTS	\$5,000	
PROJECT PERSONNEL (incl burden)	\$308,381	
FIELD OPERATIONS	\$295,666	
OFF-SITEWORK	\$145,696	
DEMOLITION		
EARTHWORK	\$514,788	\$100,000
WATER	\$9,000	
SEWER	\$18,327	
ELECTRICAL AND COMMUNICATION STRUCTURE	\$43,021	
STREET IMPROVEMENTS	\$48,689	
OTHER SITE STRUCTURES	\$40,613	
WALLS AND FENCES	\$46,100	
LANDSCAPING	\$30,666	
FOUNDATIONS	\$968,736	\$700,000
DECKS AND UNDERLAYMENT	\$94,444	\$50,000
NON-STRUCTURAL MASONRY	\$10,000	
STRUCTURE STEEL	\$8,000	
ORNAMENTAL HANDRAILS AND RAILINGS	\$43,880	
ROUGH CARPENTRY	\$1,077,080	\$100,000
CABINETRY	\$91,200	
COUNTERTOPS	\$34,200	
DAMPROOFING AND WATERPROOFING	\$15,750	
BUILDING INSULATION	\$89,479	
ROOFING	\$86,430	
FINISH CARPENTRY	\$257,859	
WINDOWS	\$45,000	
ENTRANCES AND STORE FRONTS	\$17,775	
STUCCO	\$174,711	
DRYWALL	\$350,928	\$50,000
FLOORING	\$132,179	
PAINTING	\$110,650	
SPECIALTIES	\$34,890	
APPLIANCES	\$81,800	
WINDOW TREATMENTS	\$16,250	
FURNITURE/FIXTURES/EQUIPMENT	\$82,000	
LOW VOLTAGE SYSTEMS	\$105,865	
FIRE SPRINKLERS	\$408,493	\$50,000
ELEVATOR	\$70,000	
PLUMBING	\$413,250	\$150,000
HVAC	\$509,820	
ROUGH & FINISH ELECTRICAL	\$542,035	\$40,000
INSURANCE	\$117,804	
CONTRACTOR PROFIT & OVERHEAD	\$322,673	

TOTAL CONSTRUCTION CONTRACT	\$7,819,126	
CONTINGENCY	\$390,956	
<b>TOTAL LAND, CONTINGENCY &amp; HARD COSTS</b>	<b>\$8,810,082</b>	<b>\$1,240,000</b>
<b>SOFT COSTS</b>		
ARCHITECT & ENGINEERING	\$268,395	
BUILDING PERMITS & FEES	\$347,272	
CONSTRUCTION PD. INSURANCE	\$29,556	
CONSTRUCTION PD. TAXES	\$3,000	
CONSTRUCTION LOAN EXPENSE	\$30,000	
APPRAISAL COSTS	\$7,500	
MARKET STUDY	\$3,500	
ENVIRONMENTAL STUDY	\$1,500	
TITLE & RECORDING	\$25,000	
ATTORNEY FEES	\$30,000	
ACCOUNTING FEES	\$25,000	\$10,000
SOFT COST CONTINGENCY	\$50,000	
TAX CREDIT FEE	\$51,000	
MARKETING / LEASE-UP	\$9,724	
DEVELOPMENT FEE	\$1,075,000	
OPERATING RESERVE	\$88,405	
<b>TOTAL SOFT COSTS</b>	<b>\$2,044,852</b>	<b>\$10,000</b>
<b>TOTAL DEVELOPMENT COST</b>	<b>\$10,854,934</b>	<b>\$1,250,000</b>
<b>USES</b>		
CITY OF LAS VEGAS HOME	\$1,250,000	
CLARK COUNTY HOME	\$750,000	
DEVELOPER NOTE	\$369,703	
LIHTC PROCEEDS	\$8,485,231	
<b>TOTAL USES</b>	<b>\$10,854,934</b>	

EXHIBIT "C"  
DESCRIPTION OF PROJECT

The Project will be for Stewart Pines III Senior Apartments, located at the southwest corner of Stewart Avenue and 13<sup>th</sup> Street, Las Vegas, Nevada. The Project will be designed as a 57-unit affordable housing project, consisting of one and two bedroom rental apartments. The project will consist of four stories of apartments on top of one concrete podium deck with a unit mix of 51 one bedroom and 6 two bedroom units.

HAND Enterprises, Inc., the Project sponsor, will form a single asset limited partnership, Stewart Pines III Limited Partnership ("LP"), to own the property. The General Partner will be HAND Enterprises, Inc., a Nevada non-profit.

The HOME/LIHTF funds provided by the City to HAND Enterprises, Inc., will be loaned to the LP at a below-market interest rate and secured by a Promissory Note (Attachment "II") and Deed of Trust ("Attachment III"). The HOME funds provided to HAND Enterprises, Inc., shall be used solely to finance HOME-eligible project hard and soft costs per 24 CFR 92.206.

In accordance with 24 CFR 92.300(a)(2), any proceeds generated from HAND Enterprises, Inc.'s investment of HOME funds into the project may be used by HAND Enterprises, Inc., if written approval is sought from the City of Las Vegas and given. The proceeds may only be used for other affordable housing activities as the term "affordable housing" is defined by HUD.

Of the 57 project units, 13 units will be designated as HOME-assisted and will be reserved for households at or below 60% Area Median Income (AMI). The HOME units will be considered fixed units.

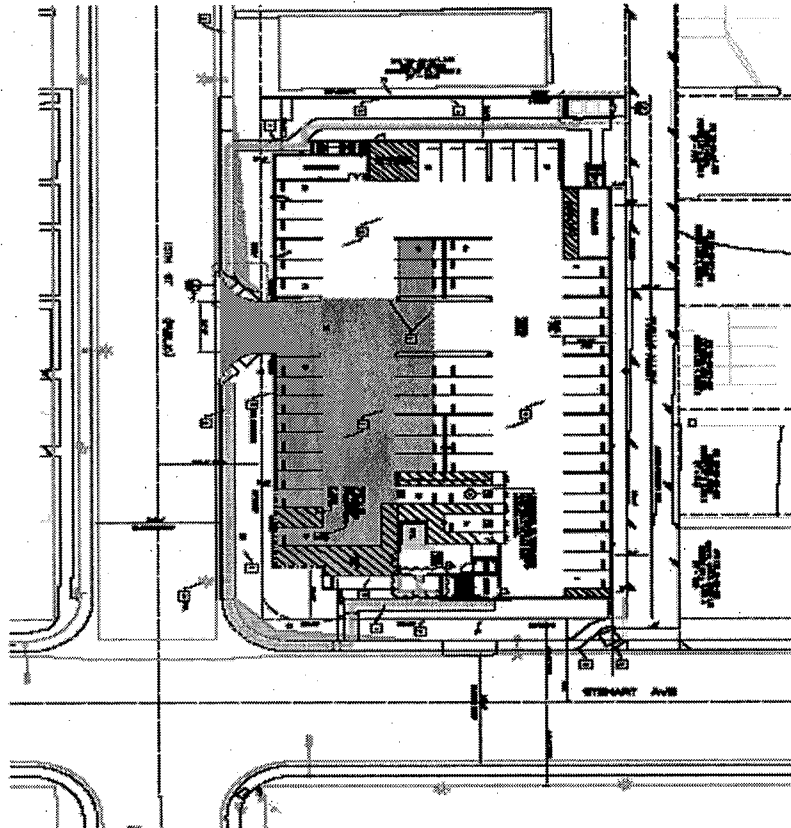
City of Las Vegas will provide \$1,250,000 from HOME/LIHTF funds

The Project will be operated as affordable housing for a minimum period of 30 years. The Project will be located as follows: southwest corner of Stewart Avenue and 13<sup>th</sup> Street, Las Vegas, NV 89101.

Assessor Parcel Number(s): 139-35-201-002

In addition to the affordability requirements related to the HOME funds, long-term affordability will be governed by a regulatory agreement with the State of Nevada, Housing Division for the Low Income Housing Tax Credit financing.

## EXHIBIT (D-1)



1. Investigate the plan

1. DATE OF INFORMATION  
 2. NAME OF INFORMATION  
 3. ADDRESS  
 4. TELEPHONE  
 5. DATE OF INFORMATION  
 6. NAME OF INFORMATION  
 7. ADDRESS  
 8. TELEPHONE  
 9. DATE OF INFORMATION  
 10. NAME OF INFORMATION  
 11. ADDRESS  
 12. TELEPHONE  
 13. DATE OF INFORMATION  
 14. NAME OF INFORMATION  
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 25. DATE OF INFORMATION  
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ALPHACETAL  
SITE PLAN, SITE  
INFORMATION  
AND NOTES

STEWART FINES IN  
ADJUSTMENTS  
NEVADA HANDS

**A PROJECT FOR**

**HARD-CONDENSING**

**COMPANY**

Architectural drawings of the 'D' block of the 'D' residential complex. The drawings include a longitudinal section (D-1) and a cross-section (D-2). The longitudinal section (D-1) shows a multi-story building with a central corridor and multiple entrances. The cross-section (D-2) shows the building's profile and internal structure. The drawings are labeled with 'D-1' and 'D-2' and include a scale bar.

[illegible]

**KK&J architects**  
**HMA**  
1000 E. Broadway Ave.  
P.O. Box 1000  
Denver, CO 80202  
Tel: 303.733.1000  
Fax: 303.733.1001  
www.kkandj.com



**KK**  
**architects**

三

# THE



10

**NOTES:**

**STUDENT PAGES IN  
ADDITIONAL  
WORKBOOKS**

**RESEARCH  
DESIGN  
ANALYSIS**

1361



## **EXHIBIT "E"**

### **LEGAL DESCRIPTION**

A.P. NO. 139-35-201-002

12 March 2007

JOB NO. 1441-001-062

**EXPLANATION:** THIS LEGAL DESCRIBES THE LIMITS OF LOTS 9-13 OF BLOCK 5 OF "FAIRVIEW TRACT" SUBDIVISION REVERTED TO ACREAGE BY BOOK 135, PAGE 42 OF PLATS.

### **LEGAL DESCRIPTION**

BEING A PORTION OF THE SOUTHWEST QUARTER (SW ¼) OF THE NORTHWEST QUARTER (NW ¼) OF SECTION 35, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE CENTERLINES OF STEWART AVENUE (80.00 FEET WIDE) AND THIRTEENTH STREET (80.00 FEET WIDE); THENCE SOUTH 28°17'59" WEST ALONG THE CENTERLINE OF SAID THIRTEENTH STREET, 40.00 FEET TO THE SOUTHEASTERLY PROLONGATION OF THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF SAID STEWART AVENUE; THENCE NORTH 61°43'13" WEST ALONG SAID PROLONGATION LINE, 40.00 FEET TO THE **POINT OF BEGINNING**; THENCE SOUTH 28°17'59" WEST ALONG THE NORTHWESTERLY RIGHT-OF-WAY LINE OF SAID THIRTEENTH STREET, 249.96 FEET TO THE MOST EASTERLY CORNER OF LOT 14 OF BLOCK 5 OF "FAIRVIEW TRACT" SUBDIVISION, THE PLAT OF SAID SUBDIVISION BEING ON FILE IN THE CLARK COUNTY RECORDER'S OFFICE AS BOOK 1, PAGE 7 OF PLATS; THENCE NORTH 61°43'06" WEST ALONG THE NORTHEASTERLY LINE OF SAID LOT 14, A DISTANCE OF 140.06 FEET TO THE SOUTHEASTERLY LINE OF THE PUBLIC ALLEY OF SAID BLOCK 5 AS DEDICATED ON THE PLAT OF "FAIRVIEW TRACT" SUBDIVISION; THENCE NORTH 28°17'39" EAST ALONG SAID SOUTHEASTERLY LINE, 249.96 FEET TO THE AFOREMENTIONED SOUTHWESTERLY RIGHT-OF-WAY LINE OF STEWART AVENUE; THENCE SOUTH 61°43'13" EAST ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE, 140.09 FEET TO THE **POINT OF BEGINNING**.

**CONTAINING 35,013 SQUARE FEET (0.803 ACRES).**

**BASIS OF BEARINGS**

NORTH 61°43'13" WEST, BEING THE BEARING OF THE CENTERLINE OF STEWART AVENUE AS SHOWN ON A MAP ON FILE IN THE CLARK COUNTY, NEVADA RECORDER'S OFFICE AS FILE 63, PAGE 86 OF PARCEL MAPS.

BRUCE L. STRATTON  
PROFESSIONAL LAND SURVEYOR  
NEVADA CERTIFICATE NO. 9615

**EXHIBIT "F"**  
**HOME/LIHTF PROGRAM INCOME GUIDELINES:**  
**U.S. Department of Housing and Urban Development (HUD)**  
**HOME/ADDI Program Limits (Effective March, 2007)**  
**Median Family Income (\$60,100)**

<b><u>FAMILY SIZE</u></b>	<b><u>INCOME NOT TO EXCEED</u></b>
1	30% 12,650 50% 21,050 (Very Low-Income) 80% 33,650 (Low-Income)
2	30% 14,450 50% 24,050 (Very Low-Income) 80% 38,500 (Low-Income)
3	30% 16,250 50% 27,050 (Very Low-Income) 80% 43,300 (Low-Income)
4	30% 18,050 50% 30,050 (Very Low-Income) 80% 48,100 (Low-Income)
5	30% 19,500 50% 32,450 (Very Low-Income) 80% 51,950 (Low-Income)
6	30% 20,950 50% 34,850 (Very Low-Income) 80% 55,800 (Low-Income)
7	30% 22,400 50% 37,250 (Very Low-Income) 80% 59,650 (Low-Income)
8	30% 23,850 50% 39,650 (Very Low-Income) 80% 63,500 (Low-Income)

**EXHIBIT "G"**  
**HOME PROGRAM RENTS:**  
**U.S. Department of Housing and Urban Development (HUD)**  
**Program Limits (March, 2007)**

<b><u>PROGRAM</u></b>	<b><u>EFFICIENCY</u></b>	<b><u>1-BEDR</u></b>	<b><u>2-BEDR</u></b>	<b><u>3-BEDR</u></b>
Low Home Rent Limit	\$526	563	676	781
High Home Rent Limit	643	713	857	981
<b><u>For Information Only:</u></b>				
Fair Market Rent	643	754	891	1237
50% Rent Limit	526	563	676	781
65% Rent Limit	664	713	857	981

## EXHIBIT "H"

### ALLONGE

To be attached to that certain Promissory Note, dated \_\_\_\_\_, in the original amount of One Million and two hundred fifty thousand Dollars (\$1,250,000) executed by Stewart Pines III Limited Partnership, a Nevada limited partnership, in favor of HAND Enterprises, Inc, a Nevada nonprofit corporation.

Pay to the order of City of Las Vegas

Dated: \_\_\_\_\_

HAND ENTERPRISES, INC,

a Nevada non profit corporation

By:

Mike Mullin, President of the Board  
of Directors

**EXHIBIT "I"**

APN #139-35-201-002  
When recorded, return to:  
City of Las Vegas  
Neighborhood Services Department  
400 Stewart Avenue  
Las Vegas, NV 89101

ASSIGNMENT OF DEED OF TRUST

FOR VALUE RECEIVED, the undersigned, HAND Enterprises, Inc, a Nevada nonprofit corporation, hereby grants, assigns and transfers to the City of Las Vegas, all of the undersigned's right, title and interest in that certain Deed of Trust, dated as of \_\_\_\_\_ and recorded in the Official Records of the County Recorders Office for the County of Clark on \_\_\_\_\_ as Instrument No. \_\_\_\_\_ (the "**Deed of Trust**"), together with the undersigned's right, title and interest in and to that certain Promissory Note in the amount of \$1,250,000 executed by Stewart Pines III Limited Partnership, a Nevada limited partnership in favor of the undersigned which is described in the Deed of Trust, the money due and to become due thereon with interest and all rights accrued or to accrue under the Deed of Trust. The Deed of Trust encumbers that certain real property described on the attached Exhibit E.

IN WITNESS WHEREOF, the undersigned has executed this Assignment of Deed of Trust as of \_\_\_\_\_.

HAND ENTERPRISES, INC, a Nevada non  
profit corporation

By: \_\_\_\_\_  
(Name and Title)

STATE OF NEVADA        )  
                                  ) ss  
COUNTY OF CLARK     )

On this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_, \_\_\_\_\_ personally appeared before me a Notary Public in and for said County and State, and is known to me to be the person described in and who executed the within and foregoing instrument, and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said County of Clark, the day and year first above written.

Notary Public \_\_\_\_\_ My commission expires \_\_\_\_\_

EXHIBIT "E"

LEGAL DESCRIPTION

A.P. NO. 139-35-201-002

12 March 2007

JOB NO. 1441-001-062

**EXPLANATION:** THIS LEGAL DESCRIBES THE LIMITS OF LOTS 9-13 OF BLOCK 5 OF "FAIRVIEW TRACT" SUBDIVISION REVERTED TO ACREAGE BY BOOK 135, PAGE 42 OF PLATS.

**LEGAL DESCRIPTION**

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COMMENCING AT THE INTERSECTION OF THE CENTERLINES OF STEWART AVENUE (80.00 FEET WIDE) AND THIRTEENTH STREET (80.00 FEET WIDE); THENCE SOUTH 28°17'59" WEST ALONG THE CENTERLINE OF SAID THIRTEENTH STREET, 40.00 FEET TO THE SOUTHEASTERLY PROLONGATION OF THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF SAID STEWART AVENUE; THENCE NORTH 61°43'13" WEST ALONG SAID PROLONGATION LINE, 40.00 FEET TO THE **POINT OF BEGINNING**; THENCE SOUTH 28°17'59" WEST ALONG THE NORTHWESTERLY RIGHT-OF-WAY LINE OF SAID THIRTEENTH STREET, 249.96 FEET TO THE MOST EASTERLY CORNER OF LOT 14 OF BLOCK 5 OF "FAIRVIEW TRACT" SUBDIVISION, THE PLAT OF SAID SUBDIVISION BEING ON FILE IN THE CLARK COUNTY RECORDER'S OFFICE AS BOOK 1, PAGE 7 OF PLATS; THENCE NORTH 61°43'06" WEST ALONG THE NORTHEASTERLY LINE OF SAID LOT 14, A DISTANCE OF 140.06 FEET TO THE SOUTHEASTERLY LINE OF THE PUBLIC ALLEY OF SAID BLOCK 5 AS DEDICATED ON THE PLAT OF "FAIRVIEW TRACT" SUBDIVISION; THENCE NORTH 28°17'39" EAST ALONG SAID SOUTHEASTERLY LINE, 249.96 FEET TO THE AFOREMENTIONED SOUTHWESTERLY RIGHT-OF-WAY LINE OF STEWART AVENUE; THENCE SOUTH 61°43'13" EAST ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE, 140.09 FEET TO THE **POINT OF BEGINNING**.

**CONTAINING 35,013 SQUARE FEET (0.803 ACRES).**

**BASIS OF BEARINGS**

NORTH 61°43'13" WEST, BEING THE BEARING OF THE CENTERLINE OF  
STEWART AVENUE AS SHOWN ON A MAP ON FILE IN THE CLARK COUNTY,  
NEVADA RECORDER'S OFFICE AS FILE 63, PAGE 86 OF PARCEL MAPS.

BRUCE L. STRATTON  
PROFESSIONAL LAND SURVEYOR  
NEVADA CERTIFICATE NO. 9615



**ATTACHMENT "I"**

**DISCLOSURE OF PRINCIPALS**

The principals and partners of HAND Enterprises, Inc, *and all persons and entities holding more than 1% interest in HAND Enterprises, Inc. or any principal of HAND Enterprises, Inc.* are the following:

FULL NAME	BUSINESS ADDRESS	BUSINESS PHONE
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____

Continue list until full and complete disclosure is made.

I certify under penalty of perjury, that the foregoing list is full and complete.

HAND Enterprises, Inc.  
A Nevada non-profit

By: \_\_\_\_\_

Title: \_\_\_\_\_

Subscribed and sworn to before me this  
\_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

## ATTACHMENT "II"

### PROMISSORY NOTE (SECURED – ALL INCLUSIVE)

\$1,250,000

Las Vegas, Nevada  
(August 2007)

FOR VALUE RECEIVED, the undersigned (herein "Maker") hereby promises to pay to the order of HAND Enterprises, Inc., a non-profit corporation (herein "Holder"), at 295 E. Warm Springs Road, Suite 101, Las Vegas, Nevada 89119, or at such other place or to such other party as Holder may from time to time designate in writing, the principal sum of One Million Two Hundred Fifty Thousand and No/100 Dollars (\$1,250,000.00) with interest from the date hereof, at the applicable federal rate at the time of each advance (the "Interest Rate") on the unpaid balance until paid. Outstanding interest payments shall accrue but shall not be compound.

#### Miscellaneous Defined Terms.

- i. "Partnership Agreement" is defined as that certain Amended and Restated Agreement of Limited Partnership of Stewart Pines III Limited Partnership dated as of August 1, 2007, as same may be amended from time to time.
- ii. "Cash Flow Available for Debt Service" is defined, and for the purposes of this Note shall be the Cash Flow to be distributed interpreted in accordance with the provisions set forth in Section 10.1 A of Article X of said Partnership Agreement. All terms not otherwise defined herein shall have the meaning set forth in the Partnership Agreement.

#### Payment-Related Defined Terms.

- i. "Payment Period" shall mean each quarterly period during the term hereof commencing on January 1, 2009.
- ii. "Payment Date" shall mean, with respect to each Payment Period, the date that is forty-five (45) days after the expiration of such Payment Period.

Payment Terms. The principal and interest due hereunder shall be payable in quarterly installments as follows:

- a. Payment Amount. Commencing on the first Payment Date and on each Payment Date thereafter during the term of this Note, payments of principal and interest shall be due and payable to the holder hereof, in arrears for the immediately preceding Payment Period, in an amount equal to Cash Flow Available for Debt Service (hereinafter referred to as the

"Cash Flow Available for Debt Service Payment"), to the extent available, applicable to such Payment Period, if any.

- b. Application. Each payment is to be applied when received first to any expenses reimbursable to Holder, second to any unpaid interest and third, any balance shall be used to reduce the principal balance.

The indebtedness represented by this Promissory Note (the "Note") shall be all due and payable in its entirety on that date which is fifty (50) years from the date hereof (the "Maturity Date"). Maker agrees to repay to Holder the indebtedness represented by this Note if there is a sale or transfer of the Property. Maker shall have the right to prepay the indebtedness evidenced hereby in full, or in part, at any time.

The Maker waives presentment for payment, demand and protest and notice of protest, and of dishonor and non-payment of this Note.

If a monetary event of default occurs under the terms hereof prior to exercising any remedies hereunder Holder shall give Maker and each of the Limited Partners of the Maker, as identified in the Amended and Restated Agreement of Limited Partnership of Maker, simultaneous written notice of such default. Maker shall have a period of seven (7) days after such notice is given within which to cure the default prior to exercise of any remedies by Holder hereunder.

If a non-monetary event of default occurs under the terms hereof prior to exercising any remedies hereunder Holder shall give Maker and each of the Maker's Limited Partners, as identified in the Amended and Restated Agreement of Limited Partnership of Maker, simultaneous written notice of such default. If the default is reasonably capable of being cured within thirty (30) days, Maker shall have such period to effect a cure prior to exercise of remedies by Holder hereunder. If the default is such that it is not reasonably capable of being cured within thirty (30) days or such longer period if so specified, and if Maker (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Maker shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Holder. In no event shall Holder be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within one hundred eighty (180) days after the first notice of default is given.

In the event of a default (monetary or non-monetary), at any time after notice of such default has been given by Maker in accordance with the provisions hereof and after the expiration of any applicable cure period, the whole of the unpaid principal balance of this Note shall, at the option of Holder and without further notice, become immediately due and payable. This option may be exercised at any time after any such event and the acceptance by Holder of one or more installments or other payments or performance from any person thereafter shall not constitute a waiver of Holder's option.

Time is expressly made of the essence with respect to every provision hereof and the All-Inclusive Deed of Trust. This Note shall be governed by, construed and enforced in accordance with the laws of the State of Nevada.

This Note is secured by that certain All-Inclusive Deed of Trust of even date herewith executed by Maker, as trustor, to STEWART TITLE OF NEVADA, INC., as trustee, in favor of Holder, as beneficiary, (the "All-Inclusive Deed of Trust") which All-Inclusive Deed of Trust encumbers that certain real property more particularly described therein (the "Property").

IN WITNESS WHEREOF, the Maker has caused this Note to be executed on its behalf by its duly authorized officer as of the date first above written.

Maker:

Stewart Pines III Limited Partnership, a Nevada limited partnership

By: HAND ENTERPRISES, INC., a Nevada nonprofit  
corporation

By: \_\_\_\_\_  
Michael Mullin, President

Holder: HAND ENTERPRISES, INC., a Nevada non-profit corporation

By: \_\_\_\_\_  
Michael Mullin, President

### ATTACHMENT "III"

APN # 139-35-201-002

WHEN RECORDED MAIL TO:

HAND Enterprises, Inc.  
295 E. Warm Springs Rd.  
Ste. 101  
Las Vegas, NV 89119

#### ALL-INCLUSIVE DEED OF TRUST AND ASSIGNMENT OF RENTS

This ALL-INCLUSIVE DEED OF TRUST, made this \_\_\_\_\_ day of \_\_\_\_\_, 2007, between Stewart Pines III Limited Partnership herein called TRUSTOR, whose address is 295 E. Warm Springs Rd., Ste. 101, Las Vegas, Nevada 89119, and Stewart Title of Nevada, Inc., a Nevada Corporation herein called TRUSTEE, and HAND Enterprises, Inc., herein called BENEFICIARY,

WITNESSETH: That Trustor irrevocably grants, transfers and assigns to Trustee in Trust, with Power of Sale, that property in the City of Las Vegas, County of Clark, State of Nevada, described on Exhibit "A" attached hereto (the "Property").

Together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents issues and profits.

For the Purpose of Securing (1) payment of the sum of One Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00) with interest thereon according to the terms of the All-Inclusive Promissory Note of even date herewith (hereinafter "the Secured Note" or the "Loan") made by Trustor, payable to the order of Beneficiary, and extensions or renewals thereof, and (2) the performance of each agreement of Trustor incorporated by reference or contained herein.

**A. HOME/TRUST FUND CONTRACT:**

1. This is an All-Inclusive Deed of Trust, securing (1) the Secured Note and (2) the obligations of the Beneficiary to the City of Las Vegas, under the Agreement to Loan HOME Investment Partnerships Program ("HOME") Funds and/or Low Income Housing Trust Funds to HAND Enterprises Inc. dated June 20, 2007 hereinafter referred to as the "HOME/LIHTF Agreement."
2. The Trustor shall abide by the terms of the HOME/LIHTF Agreement. Trustor agrees to use the property to construct and rent decent, safe, and sanitary units to HOME/Trust Fund Program eligible recipients. Trustor agrees to maintain and

operate the above-described property as a drug-free environment. Trustor agrees to maintain 13 fixed HOME/Trust Fund assisted units within the above-described property as Affordable Housing for a period of (thirty years) from the date of the Completion Report, unless terminated earlier pursuant to the Agreement to Loan Home Investment Partnerships Program ("HOME") Funds to Hand Enterprises between the City of Las Vegas and Hand Enterprises dated June 20, 2007, hereinafter referred to as the HOME/Trust Fund Agreement. Trustor agrees to abide by the HOME/Trust Fund rules, specifically 24 CFR 92, NRS 319, NAC 319 and the Trust Fund Administrative Guidelines, as applicable.

3. Trustor agrees to repay \$1,250,000 in HOME/Trust Fund Program funds upon prohibited sale or transfer of the Property as provided by the HOME/Trust Fund Agreement; provided, however, that the foregoing shall only apply to transfers of the Property and not to transfers of membership interest in Trustor.

City of Las Vegas requests that a copy of any Notice of Default and any Notice of Sale hereunder be mailed to it at City of Las Vegas, Neighborhood Services Department, 400 Stewart Avenue 2<sup>nd</sup> Floor, Las Vegas, NV 89101.

**B. TO PROTECT THE SECURITY OF THE ALL-INCLUSIVE DEED OF TRUST, TRUSTOR AGREES:**

1. To keep said property in good condition and repair; not to remove or demolish and build thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefore; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.
2. To provide, maintain and deliver to Beneficiary fire, vandalism and malicious mischief insurance satisfactory to and with loss payable to Beneficiary.
3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee and to pay all costs and expenses, including cost of evidence of title and attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this All-Inclusive Deed of Trust.
4. To pay; (a) at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; (b) when due subject to the mutual agreements of the parties as below set forth, all

encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; (c) all allowable expenses of this Trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise and encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers; pay reasonable expenses, employ counsel and pay reasonable attorneys fees.

5. To pay immediately and with out demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditures at the rate provided in the Secured Note.

**C. IT IS MUTUALLY AGREED:**

1. That any award of damages in connection with any condemnation for public use or of injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such money's received by it in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.
2. In the event of any fire or other casualty to the Property or eminent domain proceedings resulting in condemnation of the Property or any part thereof, Trustor shall have the right to rebuild the Property, and to use all available insurance or condemnation proceeds therefore, provided that (a) such proceeds are sufficient to keep the Loan in balance and rebuild the Property in a manner that provides adequate security to Beneficiary for repayment of amounts due hereunder if such proceeds are insufficient then Trustor shall have funded any deficiency, (b) Beneficiary shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement, and (c) no material default then exists under the HOME/Trust Fund Agreement. If the casualty or condemnation affects only part of the Property and total rebuilding is infeasible, then proceeds may be used for partial rebuilding and partial repayment of the amounts due hereunder in a manner that provides adequate security to Beneficiary for repayment of the remaining balance of the amounts due hereunder.

3. That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.
4. That at any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this All-Inclusive Deed of Trust and the Secured Note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may; reconvey any part of said property consent to the making of any map or plat thereof, join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.
5. That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this All-Inclusive Deed of Trust and the Secured Note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals of such Reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such Reconveyance may be described as "the person or persons legally entitled thereto."
6. Notwithstanding anything to the contrary contained herein, Trustor hereby irrevocably assigns, gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness hereby secured, enter upon and take possession of said property or any part thereof in its own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less allowable expenses of operation, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits, and the application thereof as aforesaid, shall not cure or waive any default or notice of defaults hereunder or invalidate any act done pursuant to such notice.
7. That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and notice of breach and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with the Trustee this All-Inclusive Deed of Trust, the Secured Note and all documents evidencing expenditures secured hereby.

After the lapse of such time may then be required by law following the recordation of said notice of breach, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall see said property at



the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement.

Trustee shall deliver to such purchaser its deed conveying the property so sold, but without covenant or warranty, express or implied. The recitals in such deed of any matters of facts shall be conclusive proof of truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase as such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, include costs of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid, with accrued interest at the rate provided in the Secured Note; all other sums then secured hereby; and the remainder, if any to the person or persons legally entitle thereto.

8. Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the Office of the recorder of county or counties where said property is situated, shall be conclusive proof or proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and document number where this All-Inclusive Deed of Trust is recorded and the name and address of the Trustee.
9. That this All-Inclusive Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The Term Beneficiary shall mean the owner and holder, including pledges of the note secured hereby, whether or not named as Beneficiary herein. In this All-Inclusive Deed of Trust, whenever the context so requires, the neuter gender includes the feminine and/or masculine and the singular number includes the plural.
10. That the Trustee accepts this Trust when this All-Inclusive Deed of Trust, duly executed and acknowledged, is made a public record as provided. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

11. Beneficiary acknowledges that Trustor intends to enter into a Regulatory Agreement (the "Regulatory Agreement", which constitutes the extended low-income housing commitment described in Section 42(h)(6)(B) of the Internal Revenue Code, as amended (the Code). Beneficiary acknowledges and agrees that, in the event of a foreclosure of its interest under the Mortgage or delivery by the Partnership of a deed in lieu of (collectively, a foreclosure), the following rule contained in Section 42(h)(6)(E)(ii) of the Code shall apply

For a period of three (3) years from the date of Foreclosure, with respect to any unit that had been regulated by the Regulatory Agreement, (i) none of the eligible tenants occupying those units at the time of Foreclosure may be evicted or their tenancy terminated (other than for good cause, including but not limited to, the tenants' ineligibility pursuant to regulations of the HOME Program or Section 42 of the Code), (ii) nor may any rent be increased except as otherwise permitted under Section 42 of the Code.

**D. THE PARTIES FURTHER AGREE:**

1. Trustor covenants and agrees that Trustor shall perform and observe all obligations to be performed and observed by Trustor under the All-Inclusive Deed of Trust securing the Secured Note.
2. The following Covenants, Nos. 1, 3, 4 (rate of interest is the default rate stated in the Secured Note – there is no default rate in the Secured Note), 5, 6, 7 (5%), 8 and 9 of NRS 107.030 are hereby adopted and made a part of this Deed of Trust, provided, however, that the express covenants of this Deed of Trust shall control to the extent that the same are inconsistent with Covenant Nos. 1, 3, 4, 5 and 9 and provided further, that Covenant Nos. 6, 7 and 8 shall control over the express covenants of this Deed of Trust to the extent the same are inconsistent with Covenant Nos. 6, 7 and 8.
3. If a monetary event of default occurs under the terms of any of the Secured Note, prior to exercising any remedies thereunder Beneficiary shall give each of the Limited Partners of the Trustor, as identified below or as identified to Beneficiary by written notice, simultaneous written notice of such default. Trustor shall have a period of seven (7) days after such notice is given within which to cure the default prior to exercise of remedies by Beneficiary under the Secured Note, or such longer period of time as may be specified in the Secured Note.
4. If a non-monetary event of default occurs under the terms of the Secured Note, prior to exercising any remedies thereunder Beneficiary shall give Trustor and each of the Limited Partners (or Limited Liability Company if that is the case), as identified below or as identified to Beneficiary by written notice, simultaneous written notice of such default. If the default is reasonably capable of being cured within thirty (30) days, Trustor shall have such period to effect a cure prior to exercise of remedies by Beneficiary under the Secured Note, or such longer period of time as may be specified in

the Secured Note. If the default is such that it is not reasonably capable of being cured within thirty (30) days or such longer period if so specified, and if Trustor (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Trustor shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Beneficiary. In no event shall Beneficiary be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within one hundred eighty (180) days after the first notice of default is given, or such longer period of time as may be specified in the Secured Note.

5. Beneficiary shall give Limited Partner written notice of any default under the Loan Documents, and the cure periods contained in Paragraphs 3 and 4 above shall commence on the effective date of any such notice, at the following address:

Investor Limited Partner

MMA Stewart Pines III, LLC  
c/o MMA Financial TC Corp.  
101 Arch Street  
Boston, MA 02110

Special Limited Partner:

MMA Special Limited Partner, Inc.  
c/o MMA Financial TC Corp.  
101 Arch Street  
Boston, MA 02110

With a copy to:

Stewart Pines III Limited Partnership  
HAND Enterprises Inc.  
295 E. Warm Springs Rd., Ste. 101  
Las Vegas 89119

and

MMA Financial TC Corp  
101 Arch Street, Boston, MA 02110  
Attention: Asset Management Department

and

MA Financial TC Corp.  
101 Arch Street, Boston, MA 02110  
Attention: Legal Department;

and

James E. McDermott, Esq.  
Holland & Knight LLP  
10 St. James Avenue, Boston, MA

6. Any cure periods available to the Limited Partners, shall commence upon the date of any such notice to the Limited Partners.
7. Notwithstanding anything to the contrary contained herein, this is a non-recourse All-Inclusive Deed of Trust and Assignment of Rents and Beneficiary shall have no recourse against the Trustor or to any asset of the Trustor other than the Property described in Exhibit A, nor any right to a deficiency judgment in order the satisfy the indebtedness for payment of principal and interest secured by the Secured Note.

TRUSTOR: Stewart Pines III Limited Partnership, a Nevada Limited Partnership

By: HAND Enterprises, Inc., a Nevada non-profit corporation as General Partner

By \_\_\_\_\_  
Mike Mullin, President

STATE OF NEVADA       )  
                                  ) ss  
COUNTY OF CLARK     )

On this \_\_\_\_ day of \_\_\_\_\_, 2007, \_\_\_\_\_ personally appeared before me a Notary Public in and for said County and State, and is known to me to be the person described in and who executed the within and foregoing instrument, and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said County of Clark, the day and year first above written.

Notary Public \_\_\_\_\_ My commission expires \_\_\_\_\_

BENEFICIARY: HAND Enterprises, Inc., A Nevada nonprofit corporation

By: \_\_\_\_\_  
Mike Mullin, President

STATE OF NEVADA       )  
                                  ) ss  
COUNTY OF CLARK     )

On this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_, \_\_\_\_\_ personally appeared before me a Notary Public in and for said County and State, and is known to me to be the person described in and who executed the within and foregoing instrument, and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said County of Clark, the day and year first above written.

Notary Public \_\_\_\_\_ My commission expires \_\_\_\_\_

TRUSTEE:       Stewart Title of Nevada, Inc.

By: \_\_\_\_\_

Its:             \_\_\_\_\_(Title)\_\_\_\_\_

STATE OF NEVADA       )  
                                  ) ss  
COUNTY OF CLARK     )

On this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_, \_\_\_\_\_ personally appeared before me a Notary Public in and for said County and State, and is known to me to be the person described in and who executed the within and foregoing instrument, and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said County of Clark, the day and year first above written.

Notary Public \_\_\_\_\_ My commission expires \_\_\_\_\_

EXHIBIT "E"

A.P. NO. 139-35-201-002  
12 March 2007  
JOB NO. 1441-001-062

**EXPLANATION:** THIS LEGAL DESCRIBES THE LIMITS OF LOTS 9-13 OF BLOCK 5 OF "FAIRVIEW TRACT" SUBDIVISION REVERTED TO ACREAGE BY BOOK 135, PAGE 42 OF PLATS.

**LEGAL DESCRIPTION**

BEING A PORTION OF THE SOUTHWEST QUARTER (SW ¼) OF THE NORTHWEST QUARTER (NW ¼) OF SECTION 35, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE CENTERLINES OF STEWART AVENUE (80.00 FEET WIDE) AND THIRTEENTH STREET (80.00 FEET WIDE); THENCE SOUTH 28°17'59" WEST ALONG THE CENTERLINE OF SAID THIRTEENTH STREET, 40.00 FEET TO THE SOUTHEASTERLY PROLONGATION OF THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF SAID STEWART AVENUE; THENCE NORTH 61°43'13" WEST ALONG SAID PROLONGATION LINE, 40.00 FEET TO THE **POINT OF BEGINNING**; THENCE SOUTH 28°17'59" WEST ALONG THE NORTHWESTERLY RIGHT-OF-WAY LINE OF SAID THIRTEENTH STREET, 249.96 FEET TO THE MOST EASTERLY CORNER OF LOT 14 OF BLOCK 5 OF "FAIRVIEW TRACT" SUBDIVISION, THE PLAT OF SAID SUBDIVISION BEING ON FILE IN THE CLARK COUNTY RECORDER'S OFFICE AS BOOK 1, PAGE 7 OF PLATS; THENCE NORTH 61°43'06" WEST ALONG THE NORTHEASTERLY LINE OF SAID LOT 14, A DISTANCE OF 140.06 FEET TO THE SOUTHEASTERLY LINE OF THE PUBLIC ALLEY OF SAID BLOCK 5 AS DEDICATED ON THE PLAT OF "FAIRVIEW TRACT" SUBDIVISION; THENCE NORTH 28°17'39" EAST ALONG SAID SOUTHEASTERLY LINE, 249.96 FEET TO THE AFOREMENTIONED SOUTHWESTERLY RIGHT-OF-WAY LINE OF STEWART AVENUE; THENCE SOUTH 61°43'13" EAST ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE, 140.09 FEET TO THE **POINT OF BEGINNING**.

**CONTAINING 35,013 SQUARE FEET (0.803 ACRES).**

**BASIS OF BEARINGS**

NORTH 61°43'13" WEST, BEING THE BEARING OF THE CENTERLINE OF  
STEWART AVENUE AS SHOWN ON A MAP ON FILE IN THE CLARK COUNTY,  
NEVADA RECORDER'S OFFICE AS FILE 63, PAGE 86 OF PARCEL MAPS.

BRUCE L. STRATTON  
PROFESSIONAL LAND SURVEYOR  
NEVADA CERTIFICATE NO. 9615

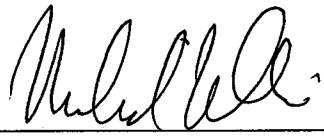
ALLONGE

To be attached to that certain Promissory Note, dated Sept. 18, 2007, in the original amount of One Million and two hundred fifty thousand Dollars (\$1,250,000) executed by Stewart Pines III Limited Partnership, a Nevada limited partnership, in favor of HAND Enterprises, Inc, a Nevada nonprofit corporation.

Pay to the order of City of Las Vegas  
Dated: Sept. 18, 2007

HAND ENTERPRISES, INC,

a Nevada non profit corporation

By:   
Mike Mullin, President of the Board  
of Directors



APN #139-35-201-002  
When recorded, return to:  
City of Las Vegas  
Neighborhood Services Department  
400 Stewart Avenue  
Las Vegas, NV 89101

ASSIGNMENT OF DEED OF TRUST

FOR VALUE RECEIVED, the undersigned, HAND Enterprises, Inc, a Nevada nonprofit corporation, hereby grants, assigns and transfers to the City of Las Vegas, all of the undersigned's right, title and interest in that certain Deed of Trust, dated as of Sept. 18, 2007 and recorded in the Official Records of the County Records Office for the County of Clark on \_\_\_\_\_ as Instrument No. \_\_\_\_\_ (the "**Deed of Trust**"), together with the undersigned's right, title and interest in and to that certain Promissory Note in the amount of \$1,250,000 executed by Stewart Pines III Limited Partnership, a Nevada limited partnership in favor of the undersigned which is described in the Deed of Trust, the money due and to become due thereon with interest and all rights accrued or to accrue under the Deed of Trust. The Deed of Trust encumbers that certain real property described on the attached Exhibit E.

IN WITNESS WHEREOF, the undersigned has executed this Assignment of Deed of Trust as of Sept. 18th, 2007.

HAND ENTERPRISES, INC, a Nevada non profit corporation

By: \_\_\_\_\_

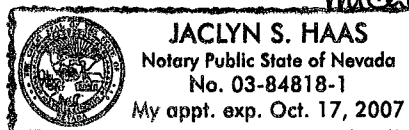
(Name and Title)

Michael Mullin  
President

STATE OF NEVADA )

) ss

COUNTY OF CLARK )



On this 18th day of September, 2007, Michael Mullin personally appeared before me a Notary Public in and for said County and State, and is known to me to be the person described in and who executed the within and foregoing instrument, and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said County of Clark, the day and year first above written.

Notary Public J. S. Haas My commission expires 10-17-07

***LEGAL DESCRIPTION***

A.P. NO. 139-35-201-002  
12 March 2007  
JOB NO. 1441-001-062

**EXPLANATION:** THIS LEGAL DESCRIBES THE LIMITS OF LOTS 9-13 OF BLOCK 5 OF "FAIRVIEW TRACT" SUBDIVISION REVERTED TO ACREAGE BY BOOK 135, PAGE 42 OF PLATS.

**LEGAL DESCRIPTION**

BEING A PORTION OF THE SOUTHWEST QUARTER (SW ¼) OF THE NORTHWEST QUARTER (NW ¼) OF SECTION 35, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE CENTERLINES OF STEWART AVENUE (80.00 FEET WIDE) AND THIRTEENTH STREET (80.00 FEET WIDE); THENCE SOUTH 28°17'59" WEST ALONG THE CENTERLINE OF SAID THIRTEENTH STREET, 40.00 FEET TO THE SOUTHEASTERLY PROLONGATION OF THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF SAID STEWART AVENUE;  
THENCE NORTH 61°43'13" WEST ALONG SAID PROLONGATION LINE, 40.00 FEET TO THE **POINT OF BEGINNING**;  
THENCE SOUTH 28°17'59" WEST ALONG THE NORTHWESTERLY RIGHT-OF-WAY LINE OF SAID THIRTEENTH STREET, 249.96 FEET TO THE MOST EASTERLY CORNER OF LOT 14 OF BLOCK 5 OF "FAIRVIEW TRACT" SUBDIVISION, THE PLAT OF SAID SUBDIVISION BEING ON FILE IN THE CLARK COUNTY RECORDER'S OFFICE AS BOOK 1, PAGE 7 OF PLATS;  
THENCE NORTH 61°43'06" WEST ALONG THE NORTHEASTERLY LINE OF SAID LOT 14, A DISTANCE OF 140.06 FEET TO THE SOUTHEASTERLY LINE OF THE PUBLIC ALLEY OF SAID BLOCK 5 AS DEDICATED ON THE PLAT OF "FAIRVIEW TRACT" SUBDIVISION;  
THENCE NORTH 28°17'39" EAST ALONG SAID SOUTHEASTERLY LINE, 249.96 FEET TO THE AFOREMENTIONED SOUTHWESTERLY RIGHT-OF-WAY LINE OF STEWART AVENUE;  
THENCE SOUTH 61°43'13" EAST ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE, 140.09 FEET TO THE **POINT OF BEGINNING**.

**CONTAINING 35,013 SQUARE FEET (0.803 ACRES).**

**BASIS OF BEARINGS**

NORTH 61°43'13" WEST, BEING THE BEARING OF THE CENTERLINE OF STEWART AVENUE AS SHOWN ON A MAP ON FILE IN THE CLARK COUNTY, NEVADA RECORDER'S OFFICE AS FILE 63, PAGE 86 OF PARCEL MAPS.

BRUCE L. STRATTON  
PROFESSIONAL LAND SURVEYOR  
NEVADA CERTIFICATE NO. 9615

## DISCLOSURE OF PRINCIPALS

The principals and partners of HAND Enterprises, Inc, *and all persons and entities holding more than 1% interest in HAND Enterprises, Inc. or any principal of HAND Enterprises, Inc.* are the following:

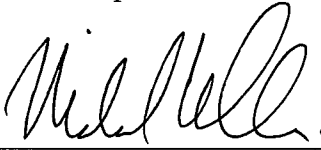
FULL NAME	BUSINESS ADDRESS	BUSINESS PHONE
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1. <u>NONE</u>		
2. _____		
3. _____		
4. _____		
5. _____		
6. _____		

Continue list until full and complete disclosure is made.

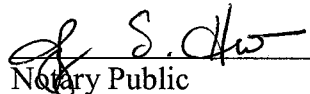
I certify under penalty of perjury, that the foregoing list is full and complete.

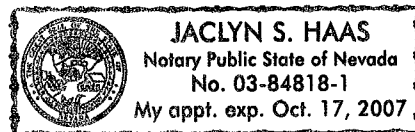
HAND Enterprises, Inc.  
A Nevada non-profit

By: 

Title: Michael Mullin, President

Subscribed and sworn to before me this  
18th day of September, 2007

  
Notary Public



**PROMISSORY NOTE**  
(SECURED – ALL INCLUSIVE)

\$1,250,000

Las Vegas, Nevada  
(August 2007)

FOR VALUE RECEIVED, the undersigned (herein "Maker") hereby promises to pay to the order of HAND Enterprises, Inc., a non-profit corporation (herein "Holder"), at 295 E. Warm Springs Road, Suite 101, Las Vegas, Nevada 89119, or at such other place or to such other party as Holder may from time to time designate in writing, the principal sum of One Million Two Hundred Fifty Thousand and No/100 Dollars (\$1,250,000.00) with interest from the date hereof, at the applicable federal rate at the time of each advance (the "Interest Rate") on the unpaid balance until paid. Outstanding interest payments shall accrue but shall not be compound.

Miscellaneous Defined Terms.

- i. "Partnership Agreement" is defined as that certain Amended and Restated Agreement of Limited Partnership of Stewart Pines III Limited Partnership dated as of August 1, 2007, as same may be amended from time to time.
- ii. "Cash Flow Available for Debt Service" is defined, and for the purposes of this Note shall be the Cash Flow to be distributed interpreted in accordance with the provisions set forth in Section 10.1 A of Article X of said Partnership Agreement. All terms not otherwise defined herein shall have the meaning set forth in the Partnership Agreement.

Payment-Related Defined Terms.

- i. "Payment Period" shall mean each quarterly period during the term hereof commencing on January 1, 2009.
- ii. "Payment Date" shall mean, with respect to each Payment Period, the date that is forty-five (45) days after the expiration of such Payment Period.

Payment Terms. The principal and interest due hereunder shall be payable in quarterly installments as follows:

- a. Payment Amount. Commencing on the first Payment Date and on each Payment Date thereafter during the term of this Note, payments of principal and interest shall be due and payable to the holder hereof, in arrears for the immediately preceding Payment Period, in an amount equal to Cash Flow Available for Debt Service (hereinafter referred to as the "Cash Flow Available for Debt Service Payment"), to the extent available, applicable to such Payment Period, if any.

- b. Application. Each payment is to be applied when received first to any expenses reimbursable to Holder, second to any unpaid interest and third, any balance shall be used to reduce the principal balance.

The indebtedness represented by this Promissory Note (the "Note") shall be all due and payable in its entirety on that date which is fifty (50) years from the date hereof (the "Maturity Date"). Maker agrees to repay to Holder the indebtedness represented by this Note if there is a sale or transfer of the Property. Maker shall have the right to prepay the indebtedness evidenced hereby in full, or in part, at any time.

The Maker waives presentment for payment, demand and protest and notice of protest, and of dishonor and non-payment of this Note.

If a monetary event of default occurs under the terms hereof prior to exercising any remedies hereunder Holder shall give Maker and each of the Limited Partners of the Maker, as identified in the Amended and Restated Agreement of Limited Partnership of Maker, simultaneous written notice of such default. Maker shall have a period of seven (7) days after such notice is given within which to cure the default prior to exercise of any remedies by Holder hereunder.

If a non-monetary event of default occurs under the terms hereof prior to exercising any remedies hereunder Holder shall give Maker and each of the Maker's Limited Partners, as identified in the Amended and Restated Agreement of Limited Partnership of Maker, simultaneous written notice of such default. If the default is reasonably capable of being cured within thirty (30) days, Maker shall have such period to effect a cure prior to exercise of remedies by Holder hereunder. If the default is such that it is not reasonably capable of being cured within thirty (30) days or such longer period if so specified, and if Maker (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Maker shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Holder. In no event shall Holder be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within one hundred eighty (180) days after the first notice of default is given.

In the event of a default (monetary or non-monetary), at any time after notice of such default has been given by Maker in accordance with the provisions hereof and after the expiration of any applicable cure period, the whole of the unpaid principal balance of this Note shall, at the option of Holder and without further notice, become immediately due and payable. This option may be exercised at any time after any such event and the acceptance by Holder of one or more installments or other payments or performance from any person thereafter shall not constitute a waiver of Holder's option.

Time is expressly made of the essence with respect to every provision hereof and the All-Inclusive Deed of Trust. This Note shall be governed by, construed and enforced in accordance with the laws of the State of Nevada.

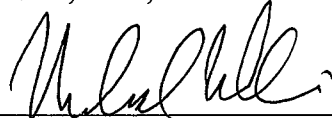
This Note is secured by that certain All-Inclusive Deed of Trust of even date herewith executed by Maker, as trustor, to STEWART TITLE OF NEVADA, INC., as trustee, in favor of Holder, as beneficiary, (the "All-Inclusive Deed of Trust") which All-Inclusive Deed of Trust encumbers that certain real property more particularly described therein (the "Property").

IN WITNESS WHEREOF, the Maker has caused this Note to be executed on its behalf by its duly authorized officer as of the date first above written.

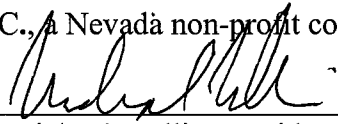
Maker:

Stewart Pines III Limited Partnership, a Nevada limited partnership

By: HAND ENTERPRISES, INC., a Nevada nonprofit  
corporation

By:   
Michael Mullin, President

Holder: HAND ENTERPRISES, INC., a Nevada non-profit corporation

By:   
Michael Mullin, President

APN # 139-35-201-002

WHEN RECORDED MAIL TO:

HAND Enterprises, Inc.  
295 E. Warm Springs Rd.  
Ste. 101  
Las Vegas, NV 89119

ALL-INCLUSIVE DEED OF TRUST AND ASSIGNMENT OF RENTS

This ALL-INCLUSIVE DEED OF TRUST, made this 18<sup>th</sup> day of Sept., 2007, between Stewart Pines III Limited Partnership herein called TRUSTOR, whose address is 295 E. Warm Springs Rd., Ste. 101, Las Vegas, Nevada 89119, and Stewart Title of Nevada, Inc., a Nevada Corporation herein called TRUSTEE, and HAND Enterprises, Inc., herein called BENEFICIARY,

WITNESSETH: That Trustor irrevocably grants, transfers and assigns to Trustee in Trust, with Power of Sale, that property in the City of Las Vegas, County of Clark, State of Nevada, described on Exhibit "A" attached hereto (the "Property").

Together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents issues and profits.

For the Purpose of Securing (1) payment of the sum of One Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00) with interest thereon according to the terms of the All-Inclusive Promissory Note of even date herewith (hereinafter "the Secured Note" or the "Loan") made by Trustor, payable to the order of Beneficiary, and extensions or renewals thereof, and (2) the performance of each agreement of Trustor incorporated by reference or contained herein.

**A. HOME/TRUST FUND CONTRACT:**

1. This is an All-Inclusive Deed of Trust, securing (1) the Secured Note and (2) the obligations of the Beneficiary to the City of Las Vegas, under the Agreement to Loan HOME Investment Partnerships Program ("HOME") Funds and/or Low Income Housing Trust Funds to HAND Enterprises Inc. dated June 20, 2007 hereinafter referred to as the "HOME/LIHTF Agreement."
2. The Trustor shall abide by the terms of the HOME/LIHTF Agreement. Trustor agrees to use the property to construct and rent decent, safe, and sanitary units to HOME/Trust Fund Program eligible recipients. Trustor agrees to maintain and operate the above-described property as a drug-free environment. Trustor agrees to maintain 13 fixed HOME/Trust Fund assisted units within the above-described property as Affordable Housing for a period of (thirty years) from the date of the



Completion Report, unless terminated earlier pursuant to the Agreement to Loan Home Investment Partnerships Program ("HOME") Funds to Hand Enterprises between the City of Las Vegas and Hand Enterprises dated June 20, 2007, hereinafter referred to as the HOME/Trust Fund Agreement. Trustor agrees to abide by the HOME/Trust Fund rules, specifically 24 CFR 92, NRS 319, NAC 319 and the Trust Fund Administrative Guidelines, as applicable.

3. Trustor agrees to repay \$1,250,000 in HOME/Trust Fund Program funds upon prohibited sale or transfer of the Property as provided by the HOME/Trust Fund Agreement; provided, however, that the foregoing shall only apply to transfers of the Property and not to transfers of membership interest in Trustor.

City of Las Vegas requests that a copy of any Notice of Default and any Notice of Sale hereunder be mailed to it at City of Las Vegas, Neighborhood Services Department, 400 Stewart Avenue 2<sup>nd</sup> Floor, Las Vegas, NV 89101.

**B. TO PROTECT THE SECURITY OF THE ALL-INCLUSIVE DEED OF TRUST, TRUSTOR AGREES:**

1. To keep said property in good condition and repair; not to remove or demolish and build thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefore; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.
2. To provide, maintain and deliver to Beneficiary fire, vandalism and malicious mischief insurance satisfactory to and with loss payable to Beneficiary.
3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee and to pay all costs and expenses, including cost of evidence of title and attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this All-Inclusive Deed of Trust.
4. To pay; (a) at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; (b) when due subject to the mutual agreements of the parties as below set forth, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; (c) all allowable expenses of this Trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise and encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers; pay reasonable expenses, employ counsel and pay reasonable attorneys fees.

5. To pay immediately and with out demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditures at the rate provided in the Secured Note.

**C. IT IS MUTUALLY AGREED:**

1. That any award of damages in connection with any condemnation for public use or of injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such money's received by it in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.
2. In the event of any fire or other casualty to the Property or eminent domain proceedings resulting in condemnation of the Property or any part thereof, Trustor shall have the right to rebuild the Property, and to use all available insurance or condemnation proceeds therefore, provided that (a) such proceeds are sufficient to keep the Loan in balance and rebuild the Property in a manner that provides adequate security to Beneficiary for repayment of amounts due hereunder if such proceeds are insufficient then Trustor shall have funded any deficiency, (b) Beneficiary shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement, and (c) no material default then exists under the HOME/Trust Fund Agreement. If the casualty or condemnation affects only part of the Property and total rebuilding is infeasible, then proceeds may be used for partial rebuilding and partial repayment of the amounts due hereunder in a manner that provides adequate security to Beneficiary for repayment of the remaining balance of the amounts due hereunder.
3. That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

4. That at any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this All-Inclusive Deed of Trust and the Secured Note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may; reconvey any part of said property consent to the making of any map or plat thereof, join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.
5. That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this All-Inclusive Deed of Trust and the Secured Note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals of such Reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such Reconveyance may be described as "the person or persons legally entitled thereto."
6. Notwithstanding anything to the contrary contained herein, Trustor hereby irrevocably assigns, gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness hereby secured, enter upon and take possession of said property or any part thereof in its own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less allowable expenses of operation, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits, and the application thereof as aforesaid, shall not cure or waive any default or notice of defaults hereunder or invalidate any act done pursuant to such notice.
7. That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and notice of breach and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with the Trustee this All-Inclusive Deed of Trust, the Secured Note and all documents evidencing expenditures secured hereby.

After the lapse of such time may then be required by law following the recordation of said notice of breach, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall see said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public

announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement.

Trustee shall deliver to such purchaser its deed conveying the property so sold, but without covenant or warranty, express or implied. The recitals in such deed of any matters of facts shall be conclusive proof of truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase as such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, include costs of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid, with accrued interest at the rate provided in the Secured Note; all other sums then secured hereby; and the remainder, if any to the person or persons legally entitle thereto.

8. Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the Office of the recorder of county or counties where said property is situated, shall be conclusive proof or proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and document number where this All-Inclusive Deed of Trust is recorded and the name and address of the Trustee.
9. That this All-Inclusive Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The Term Beneficiary shall mean the owner and holder, including pledges of the note secured hereby, whether or not named as Beneficiary herein. In this All-Inclusive Deed of Trust, whenever the context so requires, the neuter gender includes the feminine and/or masculine and the singular number includes the plural.
10. That the Trustee accepts this Trust when this All-Inclusive Deed of Trust, duly executed and acknowledged, is made a public record as provided. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.
11. Beneficiary acknowledges that Trustor intends to enter into a Regulatory Agreement (the "Regulatory Agreement", which constitutes the extended low-income housing commitment described in Section 42(h)(6)(B) of the Internal

Revenue Code, as amended (the Code). Beneficiary acknowledges and agrees that, in the event of a foreclosure of its interest under the Mortgage or delivery by the Partnership of a deed in lieu of (collectively, a foreclosure), the following rule contained in Section 42(h)(6)(E)(ii) of the Code shall apply

For a period of three (3) years from the date of Foreclosure, with respect to any unit that had been regulated by the Regulatory Agreement, (i) none of the eligible tenants occupying those units at the time of Foreclosure may be evicted or their tenancy terminated (other than for good cause, including but not limited to, the tenants' ineligibility pursuant to regulations of the HOME Program or Section 42 of the Code), (ii) nor may any rent be increased except as otherwise permitted under Section 42 of the Code.

**D. THE PARTIES FURTHER AGREE:**

1. Trustor covenants and agrees that Trustor shall perform and observe all obligations to be performed and observed by Trustor under the All-Inclusive Deed of Trust securing the Secured Note.
2. The following Covenants, Nos. 1, 3, 4 (rate of interest is the default rate stated in the Secured Note – there is no default rate in the Secured Note), 5, 6, 7 (5%), 8 and 9 of NRS 107.030 are hereby adopted and made a part of this Deed of Trust, provided, however, that the express covenants of this Deed of Trust shall control to the extent that the same are inconsistent with Covenant Nos. 1, 3, 4, 5 and 9 and provided further, that Covenant Nos. 6, 7 and 8 shall control over the express covenants of this Deed of Trust to the extent the same are inconsistent with Covenant Nos. 6, 7 and 8.
3. If a monetary event of default occurs under the terms of any of the Secured Note, prior to exercising any remedies thereunder Beneficiary shall give each of the Limited Partners of the Trustor, as identified below or as identified to Beneficiary by written notice, simultaneous written notice of such default. Trustor shall have a period of seven (7) days after such notice is given within which to cure the default prior to exercise of remedies by Beneficiary under the Secured Note, or such longer period of time as may be specified in the Secured Note.
4. If a non-monetary event of default occurs under the terms of the Secured Note, prior to exercising any remedies thereunder Beneficiary shall give Trustor and each of the Limited Partners (or Limited Liability Company if that is the case), as identified below or as identified to Beneficiary by written notice, simultaneous written notice of such default. If the default is reasonably capable of being cured within thirty (30) days, Trustor shall have such period to effect a cure prior to exercise of remedies by Beneficiary under the Secured Note, or such longer period of time as may be specified in the Secured Note. If the default is such that it is not reasonably capable of being cured within thirty (30) days or such longer period if so specified, and if Trustor (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then

Trustor shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Beneficiary. In no event shall Beneficiary be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within one hundred eighty (180) days after the first notice of default is given, or such longer period of time as may be specified in the Secured Note.

5. Beneficiary shall give Limited Partner written notice of any default under the Loan Documents, and the cure periods contained in Paragraphs 3 and 4 above shall commence on the effective date of any such notice, at the following address:

Investor Limited Partner

MMA Stewart Pines III, LLC  
c/o MMA Financial TC Corp.  
101 Arch Street  
Boston, MA 02110

Special Limited Partner:

MMA Special Limited Partner, Inc.  
c/o MMA Financial TC Corp.  
101 Arch Street  
Boston, MA 02110

With a copy to:

Stewart Pines III Limited Partnership  
HAND Enterprises Inc.  
295 E. Warm Springs Rd., Ste. 101  
Las Vegas 89119

and

MMA Financial TC Corp  
101 Arch Street, Boston, MA 02110  
Attention: Asset Management Department

and

MA Financial TC Corp.  
101 Arch Street, Boston, MA 02110  
Attention: Legal Department;

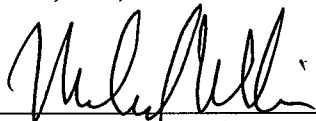
and

James E. McDermott, Esq.  
Holland & Knight LLP  
10 St. James Avenue, Boston, MA

6. Any cure periods available to the Limited Partners, shall commence upon the date of any such notice to the Limited Partners.
7. Notwithstanding anything to the contrary contained herein, this is a non-recourse All-Inclusive Deed of Trust and Assignment of Rents and Beneficiary shall have no recourse against the Trustor or to any asset of the Trustor other than the Property described in Exhibit A, nor any right to a deficiency judgment in order the satisfy the indebtedness for payment of principal and interest secured by the Secured Note.

TRUSTOR: Stewart Pines III Limited Partnership, a Nevada Limited Partnership

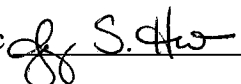
By: HAND Enterprises, Inc., a Nevada non-profit corporation as General Partner

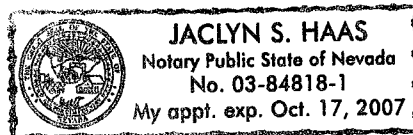
By   
Mike Mullin, President

STATE OF NEVADA       )  
                                      ) ss  
COUNTY OF CLARK     )

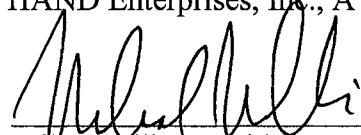
On this 18<sup>th</sup> day of September, 2007, Michael Mullin personally appeared before me a Notary Public in and for said County and State, and is known to me to be the person described in and who executed the within and foregoing instrument, and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said County of Clark, the day and year first above written.

Notary Public  My commission expires 10-17-07



BENEFICIARY: HAND Enterprises, Inc., A Nevada nonprofit corporation

By:   
Mike Mullin, President

STATE OF NEVADA           )  
  ) ss  
COUNTY OF CLARK        )

On this 18<sup>th</sup> day of September, 2007, Michael Mullin personally appeared before me a Notary Public in and for said County and State, and is known to me to be the person described in and who executed the within and foregoing instrument, and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

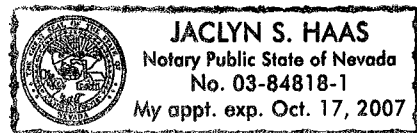
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said County of Clark, the day and year first above written.

Notary Public [Signature] My commission expires 10-17-07

TRUSTEE:           Stewart Title of Nevada, Inc.

By:

[Signature]  
MARY R. HUNT  
(Title) V.P.

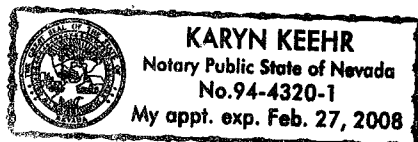


STATE OF NEVADA           )  
  ) ss  
COUNTY OF CLARK        )

On this 18 day of Sept, 2007, Mary R. Hunt personally appeared before me a Notary Public in and for said County and State, and is known to me to be the person described in and who executed the within and foregoing instrument, and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said County of Clark, the day and year first above written.

Notary Public [Signature] My commission expires \_\_\_\_\_





A.P. NO. 139-35-201-002  
12 March 2007  
JOB NO. 1441-001-062

**EXPLANATION:** THIS LEGAL DESCRIBES THE LIMITS OF LOTS 9-13 OF BLOCK 5 OF "FAIRVIEW TRACT" SUBDIVISION REVERTED TO ACREAGE BY BOOK 135, PAGE 42 OF PLATS.

**LEGAL DESCRIPTION**

BEING A PORTION OF THE SOUTHWEST QUARTER (SW ¼) OF THE NORTHWEST QUARTER (NW ¼) OF SECTION 35, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE CENTERLINES OF STEWART AVENUE (80.00 FEET WIDE) AND THIRTEENTH STREET (80.00 FEET WIDE); THENCE SOUTH 28°17'59" WEST ALONG THE CENTERLINE OF SAID THIRTEENTH STREET, 40.00 FEET TO THE SOUTHEASTERLY PROLONGATION OF THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF SAID STEWART AVENUE;  
THENCE NORTH 61°43'13" WEST ALONG SAID PROLONGATION LINE, 40.00 FEET TO THE **POINT OF BEGINNING**;  
THENCE SOUTH 28°17'59" WEST ALONG THE NORTHWESTERLY RIGHT-OF-WAY LINE OF SAID THIRTEENTH STREET, 249.96 FEET TO THE MOST EASTERLY CORNER OF LOT 14 OF BLOCK 5 OF "FAIRVIEW TRACT" SUBDIVISION, THE PLAT OF SAID SUBDIVISION BEING ON FILE IN THE CLARK COUNTY RECORDER'S OFFICE AS BOOK 1, PAGE 7 OF PLATS;  
THENCE NORTH 61°43'06" WEST ALONG THE NORTHEASTERLY LINE OF SAID LOT 14, A DISTANCE OF 140.06 FEET TO THE SOUTHEASTERLY LINE OF THE PUBLIC ALLEY OF SAID BLOCK 5 AS DEDICATED ON THE PLAT OF "FAIRVIEW TRACT" SUBDIVISION;  
THENCE NORTH 28°17'39" EAST ALONG SAID SOUTHEASTERLY LINE, 249.96 FEET TO THE AFOREMENTIONED SOUTHWESTERLY RIGHT-OF-WAY LINE OF STEWART AVENUE;  
THENCE SOUTH 61°43'13" EAST ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE, 140.09 FEET TO THE **POINT OF BEGINNING**.

**CONTAINING 35,013 SQUARE FEET (0.803 ACRES).**

**BASIS OF BEARINGS**

NORTH 61°43'13" WEST, BEING THE BEARING OF THE CENTERLINE OF STEWART AVENUE AS SHOWN ON A MAP ON FILE IN THE CLARK COUNTY, NEVADA RECORDER'S OFFICE AS FILE 63, PAGE 86 OF PARCEL MAPS.

BRUCE L. STRATTON  
PROFESSIONAL LAND SURVEYOR  
NEVADA CERTIFICATE NO. 9615